

DAILY REPORT

China

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Vol I No 132

10 July 1986

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CPC INTERNATIONAL LIAISON DEVELOPMENT DISCUSSED

HK041420 Beijing RENMIN RIBAO in Chinese 29 Jun 86 p 5

[Article by Lian Yan: "A Discussion on the Readjustment and Development of the CPC's International Liaison Work:"]

[Text] The Chinese Communist Party has gone through a course of 65 years; it has scored splendid victories, and committed some mistakes as well. Regarding the party's international liaison work, the accomplishments have been tremendous; but of course, we have had shortcomings and mistakes, too. Having gone through some readjustment over the past decade, a new situation has emerged in our party's international liaison work.

How is the condition of the readjustment and development of the party's international liaison work? Why is it necessary for our party to establish ties with other political parties other than communist parties? Comrades both in and outside the party are all concerned about these questions.

I

From the day of its founding, the CPC started to establish and develop ties and exchanges with foreign communist parties. The just struggles of the CPC and the Chinese people won the support of the communist parties and peoples of all countries during the period of the revolutionary war in China and the international anti-fascist war; likewise, we voiced our support to their just struggles. After the birth of new China, as the country's ruling party, the CPC further expanded and developed ties and friendship with various communist parties and peoples. By the end of the 1950's, the CPC had established or was maintaining friendly ties with the majority of the world's communist parties. However, polemics broke out in the international communist movement in the early 1950's, and China then carried out the "Great Cultural Revolution"; the ties between the CPC and the majority of communist parties were broken.

After the fall of the "gang of four" the CPC changed this abnormal state of affairs and gradually readjusted its guidelines for international liaison work. At the same time, many communist parties expressed their wish to restore ties with the majority of communist parties. In 1977, President Tito of the Socialist Federal Republic of Yugoslavia visited China at our invitation; during his visit, the Chinese and Yugoslav parties decided to recover their party relations. On our part, we were correcting a historical error, and it was a great turning point both in our party's ideology and work. With this as a beginning, the CPC has actively recovered and developed friendly relations with a large number of communist parties, which had interrupted relations with the CPC, such as the Italian Communist Party. At present, the CPC has rather wide contacts and ties with many foreign communist parties, and the contents of the ties are richer, and more substantial, with a variety of forms.

The CPC began to establish relations with progressive and friendly parties and organizations in the Third World countries in 1978. Since the founding of the PRC, departments concerned in China have maintained friendly ties with many national liberation organizations and political parties, and actively supported them in their struggles for national liberation or safeguarding their national independence; however, the CPC had not established party relations with them. Generally, the progressive and friendly political parties of the Third World were formed and developed in their struggles for, or maintenance of, their national independence; the majority of them are now in power, taking part in the government, or have a legal place as a political party not in office.

They are very important forces in the political arena in the Third World countries. They are friendly to China, and are willing to exchange their views with the CPC on such important issues as the international situation, safeguarding world peace, defending the rights of the Third World countries and peoples, and establishing the new international economic order. And they are willing to promote mutual understanding and to exchange experiences on party building, cadre training, mass work and leadership in economic construction, as well as on promoting economic cooperative relations on the basis of equality and mutual benefits between the two countries. When we establish and promote party relations with these political parties, it is favorable to developing state-to-state relations and consolidating the friendship between the peoples, as well as safeguarding world peace and promoting the progress of mankind. Therefore, based on the principle of promoting friendship and seeking common ground while reserving differences, we have actively established and developed party relations with these political parties and organizations.

The CPC began to establish friendly ties with socialist parties, social democratic parties and labor parties in Europe and other regions in 1981. The Chinese leaders and mass organizations used to have friendly ties with the leaders of these political parties in the past, but no party relations had been established. Generally, these political parties have a long history, and a wide mass basis, and they have rather great influence on the working class, other strata of laborers, and the middle class and the petty-bourgeoisie as well. Many of them are in power, taking part in the government, or are major parties not in office, and they have great influence both at home and abroad. At present, these parties advocate relaxing the tense international situation, opposing the arms race, safeguarding world peace, promoting the North-South talks, and supporting the development of the Third World countries. They have many things in common, or similarities with our views in international affairs. They are friendly with China, and willing to establish and develop ties and cooperation with the CPC, which are helpful to both parties. The establishment of diplomatic relations with China was realized precisely when many of these parties came into power. Needless to say differences in ideologies exist between the CPC and these parties, nor do they take the same position as China on some international issues. Therefore, the CPC has adopted the guideline of transcending differences in ideologies, and seeking mutual understanding and cooperation in establishing and developing friendly ties with socialist parties, social democratic parties and labor parties. Practice has proved that such ties are helpful to promoting state-to-state relations, friendship between peoples, as well as safeguarding world peace.

At present, the CPC's international liaison work has entered upon a new stage of liveliness. We have already established ties in different forms with some 200 communist parties and other progressive and friendly political parties. Based on the spirit of the more friends, the better, the CPC is willing to establish ties with all political parties and personalities that are willing to make friendly contacts with the CPC.

II

The ties between communist parties of various countries is a normal international phenomenon. In establishing and developing party-to-party relations, a principle acceptable to both parties is needed. Based on the historical experiences and realistic conditions of the international communist movement, the CPC proposed in its report to the 12th National Congress, "In adherence to the basis of Marxism, the CPC will develop its relations with the communist parties and other working class political parties of various countries, based on the principle of independence and taking the initiative in one's own hands, complete equality, mutual respect and noninterference in each other's international affairs." This is precisely the CPC's basic guideline and principle for dealing with communist parties of various countries.

The CPC adheres to Marxism and internationalism as well as the principle of independence and taking the initiative in one's own hands. Independence and taking the initiative in one's own hands are harmonious things, and not inconsistent with each other. Without independence and taking the initiative in one's own hands, there will be no internationalism to speak of. Both the CPC and quite a few foreign communist parties of other countries advocate developing the relations between all parties on the basis of independence and taking the initiative in one's own hands. We can say that this is the universal demand in the international communist movement at present, as well as a basic experience proved by the practice of the international communist movement. Based on the viewpoint of historical materialism, the rise or decline, the success or failure of a political party is not determined by the political party of another country, but objective conditions and whether its own line and policies are supported by the people of its own country. Even if they have made some mistakes, they should be summed up and corrected by the party concerned itself, and only then, will the party be solid and sound. Therefore, the parties of various countries should all deal with their own affairs independently and take the initiative in their own hands. This is not purely a theoretical question, but a matter of practice in the main. Historical experiences have demonstrated that whenever the principle of independence and taking the initiative in one's own hands is observed in party-to-party relations, a good job will be done in their mutual relations, and it will be favorable to the development of the revolutionary cause; otherwise, the mutual relations will be injured as well as the revolutionary cause.

Then, what is independence and taking the initiative in one's own hands? Regarding this question, many parties have made brilliant expositions, and the CPC leaders have also undertaken profound discussions. To generalize, genuine independence and taking the initiative into one's own hands means that each party is responsible to its own country and people instead of being responsible to a certain foreign party or international center, that each party selects its own road of development in revolution and construction in line with its country's conditions under the guidance of the basic tenets of Marxism instead of copying another party's model, that each party decides on its own positions in international affairs instead of obeying a big party or country's foreign policy or struggle, that each party manages its own affairs and handles its relations with other parties and opposes any outside interference or control. We stress independence and taking the initiative in one's own hands, and simultaneously advocate the moral support of each other and the exchange of views on a voluntary basis. We oppose any restriction on the actions of another party with the so-called "common strategy" and "coordinated action," the practice of turning internationalism against independence and taking the initiative in one's own hands, and the behavior of intervening and controlling another party and country under the pretext of internationalism.

Party-to-party relations should be one of equality. All parties, whether they are big or small, powerful or weak, with a long or short history, in power or not in power, should all be completely equal. The postwar historical experiences of the international communist movement have demonstrated that it does not need and there should not be a leading center and party. Any party, no matter how long a history it has, no matter how early it won its victories in revolution, no matter how many rich experiences it has, has no special privilege to stand above other parties. Both the CPC and some other parties resolutely oppose the style of a paternal party.

We also believe that the parties of every country each have their own merits as well as shortcomings, and they should show respect to each other, learn from each other, and make up each other's deficiencies.

Because of the different environment and experiences of the parties of various countries, it is impossible for them to arrive at an unanimous view on the situation and their tasks. The disputes or different views on some issues between different parties is a normal phenomenon, which should not become a block in developing mutual relations. Regarding such differences in views, they can only be solved step by step based on the principle of seeking common ground while reserving room for differences, friendly negotiation on a voluntary basis, and patience by both parties in waiting for a solution. We should by no means force unanimity on others, or force the views of one party on the other. Concerning the questions left over by history in party-to-party relations, we should chiefly rely on each summing up its own experiences and lessons, with both parties looking forward to the future. It is precisely based on this principle that the CPC has recovered the friendly relations with many communist parties which had once interrupted ties with us.

Strictly observing the principle of nonintervention in the internal affairs between the parties of various countries is an important historical experience and lesson of realistic significance. Without this principle, there is no independence and equality to speak of as well as mutual respect and learning from each other. In its report to the 12th CPC National Congress, the Central Committee has explicitly pointed out, "Of course, mutual help is needed between parties of various countries, however, any external compulsion and taking on what ought to be done by others should never be allowed. Forcing one's views on others, and intervening in the internal affairs of the party of another country will only make the revolutionary cause of the country concerned suffer setbacks and failure. As to forcing the policies of other countries' parties to serve the policies of the party of one's own country, and even carrying out armed intervention in another country, that can only sabotage the international communist movement at its roots. "When the CPC stresses mutual nonintervention in internal affairs, it includes not only the nonintervention in any of the internal affairs of the party of another country, but also refraining from intervening in the internal affairs of another country by means of party relations, and refraining from using bilateral party relations to injure other parties or any third party. We have been good to our words these years.

The CPC has carried out unremitting struggles for ascertaining and safeguarding the correct principle for party-to-party relations. However, we had shortcomings and mistakes in dealing with foreign communist parties in the past, which have brought ill consequences to some parties. The CPC has earnestly summed up the experiences and lessons in this respect, made self-criticism in the open, and simultaneously corrected them in practice.

The four principles on independence and taking the initiative in one's own hands, complete equality, mutual respect, and nonintervention in each other's internal affairs proposed by the CPC are applicable not only to the relations between the CPC and foreign communist parties, but also the relations with other progressive and friendly political parties, from the angle of transcending ideologies. In recent years, the CPC has scored marked results in developing relations with other progressive and friendly political parties by strictly abiding by the four principles.

III

The CPC has adhered to the principle of seeking truth from facts, and the principle of combining Marxist tenets with actual conditions. The CPC has always regarded Marxism as the theoretical basis of its ideology. We believe that Marxism is the guide to actions, but not rigid dogma. Marxist tenets should be developed as well as adhered to. We should persist in dialectical materialism and historical materialism, as well as the Marxist stand, viewpoints and approaches in analyzing and solving problems.

However, Marxism is a developing science, and we should not stick to some outdated individual doctrines and conclusions which are no longer applicable to the new historical conditions, neither should we rigidly adhere to some individual principles which are suitable only to some particular conditions or are not quite complete or perfect, but we should combine Marxist tenets with the actual conditions. Practice has proved that not only some individual conclusions in Marxism need be broken through, or have already been broken through, but even the tenets themselves also need be continuously tested, supplemented, made complete and perfect, enriched and developed in practice. This is a principle which Marxist classical writers had long expounded repeatedly. In fact, the reason why Marxism has such great vitality lies in the fact that it has always combined itself with practice, linked itself with the practical struggle of certain times, and is capable of answering and solving the new problems that emerged in practice and opening a way for new tasks, when Marxism itself has been enriched and developed in practice. The great victory of the October revolution led by Lenin had proved this point, as well as the great victory of the Chinese revolution led by Mao Zedong, when the revolutionary practice of other communist parties have done the same.

It is precisely based on the above-mentioned guiding ideas that we advocate carrying out continuous exploration on the road of revolution and construction, and at the same time, support other parties to carry out their own exploration. Regarding communist parties in power and socialist countries, we advocate that views be exchanged internally on a voluntary basis regarding the socialist construction of those countries, when open criticism and censure should be refrained from, because this involves the internal affairs of other parties and countries, and no one whatsoever should intervene. The conditions of various parties and countries differ, so do the ways of their construction, which should be respected. As socialism is still in the course of developing, it needs continuous exploration, and mistakes are unavoidable to anybody. Historical experiences have demonstrated that the results of open criticism in the internal affairs of other parties and states are very bad. In short, we should respect and study the exploration and experience of all socialist countries. Likewise, many of the communist parties not in office are facing the tremendous changes in social, economic, and class structures, and they are thinking independently, summing up experiences, in pursuit of measures to suit the new situation in their program, organization and modes of struggles, as well as making theoretical exploration in search of new ways for development. The communist parties of these countries have the best conditions to understand the realities and historical conditions of their own countries; whether their explorations are right or wrong should be tested by practice, and judged by the people of their own countries, and summed up by the parties concerned. We welcome and respect these parties carrying on exploration and blazing new trails; we should not judge others' right or wrong based on our own experiences and understanding; the more so should refrain from drawing conclusions for others. We should also see that many progressive and friendly Third World political parties are exploring ways of developing suitable to the actual conditions of their own countries, and drawing up the strategies and policies for their own development. Regarding them, we can discuss each other's situations, but by no means should we force our experiences and views on others. This is a principle the CPC has adhered to.

IV

The CPC is a patriotic as well as an international party, and has always advocated the combination of patriotism with internationalism. The CPC's target and tasks for international liaison work at present are to serve China's socialist modernization, and to work for safeguarding world peace, strengthening the friendship of the peoples of all countries in the world, and promoting the progressive cause of mankind.

Going all out to carry out socialist modernization is China's central task during the new historical stage. All work of our party, including international liaison work should be subject to, and render service to its general objectives and tasks. This is required by the basic interests of the Chinese people, as well as the first and foremost respect in carrying out our internationalist obligation. This is because, doing a good job in the four modernizations through reform, building China into a modernized power with a high level of civilization and democracy will be the greatest contributions we make to world peace, international economic prosperity and the progressive cause of mankind, as well as the greatest help to the working class and people throughout the world.

At the same time, the CPC adheres to the principled position of opposing imperialism, hegemonism, colonialism and racism, and continues to support the people of all countries in striving for, and safeguarding their legal rights, and to promote the progressive cause of mankind. This is also the obligation we should fulfill. When we say support, we refer to moral and political support, which of course includes necessary humanitarian assistance. We oppose "exporting revolution." What kind of social system a country chooses is strictly a matter for the people of the country concerned to decide.

At present, the questions of peace and development have become the two great basic questions that have a bearing on the fate and future of all of mankind. The Chinese Communists are willing to make contributions to the solution of these two basic questions. We believe that the danger of a world war still exists; however, the forces safeguarding peace, and the factors restricting war are continuously growing; therefore, the prospects of a lasting world peace are hopeful. We have repeatedly expressed our position of safeguarding peace, and advocating disarmament, and put our words into action. At the same time, we have resolutely implemented the policy of opening up to the world, actively developing economic cooperative relations with all countries, and promoting Third World development and international economic prosperity. The CPC has developed its relations with all foreign communist parties and other progressive and friendly political parties, and exchanged views with them on such issues as peace, disarmament, and development, which is an important channel to relaxing the tense international situation, and striving for the total prohibition, and thorough elimination of nuclear weapons, and safeguarding lasting world peace, and promoting the world's economic development. In short, safeguarding world peace and promoting economic cooperation are also the important tasks and objectives in our party's international liaison work.

The CPC is part of the international communist movement, and we are exerting our efforts in our international work to promote the healthy development of the communist movement. We have always been revolutionary optimists. It is our view that the international situation is continuously developing and changing, and the development of the international communist movement will undergo the ups and downs of high and low tides. By looking at it as a whole, the international communist movement is advancing in exploration, and developing on a tortuous course. The chief indication of advance and development lies in the fact that more and more communist parties are attaching attention to independent thinking, and doing their best to link Marxist tenets with the actual conditions of their own countries, in search of a way for their own development. At the same time, more and more communist parties advocate independence and taking the initiative in their own hands, oppose the existence of a leading center and party, and seek to establish a new-type party-to-party relation on the basis of independence and equality and voluntary ties. Therefore, we are firm in the belief that through the long-term common efforts of the parties of all countries, no matter how arduous and tortuous the road of progress is, a brand new situation will appear in the international communist movement.

GOVERNMENT TO APPLY FOR GATT REINSTATEMENT

OW090142 Beijing XINHUA in English 0115 GMT 9 Jul 86

[Text] Beijing, July 9 (XINHUA) -- The Chinese Government will soon apply for resumption of its membership in the General Agreement on Tariffs and Trade (GATT), a spokesman for the Ministry of Foreign Economic Relations and Trade said here today. The Chinese Government is willing to enter into substantive negotiations on terms of resumption with GATT contracting parties on the basis of tariff concessions, he added.

China was one of the original contracting parties to GATT, and a member of the executive committee of Interim Commission for the International Trade Organization, the spokesman said, adding that "due to historical reasons, the official relationship between China and GATT has long been suspended" since the establishment of the People's Republic of China in 1949. In recent years, he added, China has been making various preparations for resuming its membership in GATT, and now preparations are basically ready.

In view of the great changes that have taken place in both China and GATT in the preceding 30 years and more, the spokesman noted, the Chinese side deems it most practical to take an approach of mutual non-retroactivity to the issue of each other's rights and obligations during this period. As a developing country, he said, China expects to be entitled to a treatment equivalent to that accorded to other developing countries. And at the same time, he added, China is prepared to undertake obligations consistent with the level of its economic and trade development in accordance with the relevant GATT regulations and rules.

China's request to resume its membership in GATT aims at opening itself more fully to the outside world and developing its economic relations and trade with GATT contracting parties on the basis of equality and mutual benefit, the spokesman stressed.

CHIEF U.S. DELEGATE OPTIMISTIC ON GENEVA TALKS

OW090600 Beijing XINHUA in English 0545 GMT 9 Jul 86

[Text] Bonn, July 8 (XINHUA) -- U.S. chief arms negotiator Ronald Lehman said here today that the United States is ready to seriously consider the recent Soviet proposal to reduce strategic nuclear weapons and that progress in the Geneva arms reduction negotiations was possible. Lehman, chief arms negotiator at the U.S.-Soviet Geneva arms talks, made the remarks in a meeting with Federal German Foreign Minister Hans-Dietrich Genscher on issues of East-West disarmament. Sources said that Genscher briefed Lehman on his talks with chief Soviet arms negotiator Viktor Karpov yesterday.

The latest Soviet proposal, made last month, calls for a U.S.-Soviet agreement on non-withdrawal from the 1972 Anti-Ballistic Missile (ABM) Treaty for at least 15 years and on limiting the research of the U.S. Strategic Defense Initiative to laboratory testing. The proposal also calls for the limiting of American and Soviet strategic offensive arms to 1,600 units each and limiting warheads to no more than 8,000 each.

Lehman, who arrived here this morning for a regular consultation on disarmament, also met today with Federal German disarmament representative Friedrich Ruth and foreign policy spokesman of the parliamentary group of the Liberal Party Helmut Schafer.

XINHUA ON REAGAN'S REACTION TO SOVIET PROPOSAL

OW081124 Beijing XINHUA Domestic Service in Chinese 1326 GMT 5 Jul 86

[Text] Beijing, 5 Jul (XINHUA) -- Commentary by XINHUA reporter Mei Zhenmin: Reagan's reaction to Soviet new proposal

Recently, U.S. President Reagan made a noticeably positive reaction to the Soviet Union's new proposal on disarmament.

Gorbachev, general secretary of the CPSU Central Committee, on 16 June put forward an "interim proposal" calling for "a limit on the United States' Strategic Defense Initiative [SDI] to the experimental level" and for both sides to "adhere to the SALT II nuclear arms control treaty for another 15 years." He also advocates "limiting the strategic nuclear arsenals of both nations to their current levels." The "interim proposal" lists the aforesaid points side by side, and has not set the first two points as a prerequisite to the last point. U.S. President Reagan praised the proposal as Soviet Union's "beginning of a serious effort" that "could represent" "a turning point" in arms talks and "an opportunity for improving the relations between the two nations." He said that he accepts it "in principle."

Reagan's reaction was positive because the "interim proposal" indeed shows some relaxation and is closer to U.S. demand. It is also because of the following two reasons:

1. Since the beginning of this year, the Reagan administration has rejected one Soviet disarmament proposal after another. Recently, it announced that it will no longer be bound by the SALT II treaty after the end of this year. In addition, it has put forward a "limited retroactive strategy [you xian tui hui zhan lue 2589 7098 2236 0932 2069 3970]" and launched two raids on Libya which has close relations with the Soviet Union. All of these have again strained U.S.-Soviet relations which had just been relaxed a little. Reagan has his own strategic consideration and attempts to hold in check Soviet Union's "acceleration strategy [jia su zhan lue 0502 6643 2069 3970]," but his strategy has caused serious anxieties and worries among the U.S. public and its Western European allies. At the recent NATO foreign ministers conference, the allies were unanimously opposed to U.S. abolition of the SALT II treaty. Most U.S. Congressmen also openly oppose the abolition. The U.S. House of Representatives specifically adopted a resolution calling on the Reagan administration to continue to abide by the treaty. A public opinion poll on 25 June showed that more than 60 percent of the American people are opposed to some foreign policies of the Reagan administration. As the mid-term election in November draws near, President Reagan must consider the sentiments of the American people and the aspirations of the Western European allies.

2. In the United States, the voices objecting to the "star wars" program has become louder, creating more resistance to this program of the Reagan administration. On 13 May some 6,500 scientists, engineers, and technicians issued a pledge not to take part in the "star wars" program and criticized the program as a "dangerous assumption." On 19 June some 1,600 scientists working with upper-level agencies of the Reagan administration and industrial laboratories (many of them are taking part in the "star wars" program) jointly wrote Congress a letter regarding the program as "unfeasible in the foreseeable future" and as "seriously endangering existing arms control treaties and future talks."

Under the impact of such surging opposition, the U.S. Congress' enthusiasm for the "star wars" plan is also diminishing. Forty-six senators have written a joint letter to the Reagan administration, demanding a drastic reduction of the proposed spending on "star wars" research. When the Senate and the House deliberated and approved the federal government's budget for fiscal 1987, they cut a considerable amount from the expenditure proposed by the Reagan administration for research on the "star wars" plan. Recently, there has been a rumor that the United States will gradually end the "star wars" plan, although this cannot be regarded as true because President Reagan, who considers it his "trump card," will not give it up easily. It seems, however, that because many factors are involved, he may have to slow down the pace of implementing the plan. This may have influenced the Reagan administration's attitude on the question of arms control.

While responding positively to the above Soviet proposal, President Reagan has indicated many times that he hopes that the second summit between the leaders of the two countries can be held within this year. On 3 July, he told USA TODAY reporters: The Soviet Union's recent proposals on weapons control, regional conflicts, human rights, immigration, and other issues "made me optimistic. We will not only hold a summit meeting with the Soviet Union, but I feel the meeting may reach agreements on some identical objectives."

Whether the events mentioned above will lead to an earnest U.S.-Soviet disarmament agreement needs further observation.

LI PENG MEETS WITH IBM VICE CHAIRMAN RIZZO

OW051454 Beijing XINHUA in English 1340 GMT 5 Jul 86

[Text] Beijing, July 5 (XINHUA) -- Vice-Premier Li Peng met here today Paul Rizzo, vice-chairman of the board of directors of the International Business Machines (IBM) of the United States, and his party. They discussed cooperation in the use of computers, software development, the production of microcomputers and personnel training.

Li told Rizzo that China is willing to cooperate with IBM, which has a large force of competent technical personnel, in various fields. Rizzo expressed willingness to contribute to the development of China's production and application of computers and electronics industry as a whole.

Rizzo and his party arrived here Thursday at the invitation of the Chinese Ministry of Electronics Industry. They exchanged views with relevant Chinese departments on cooperation.

NPC OFFICIALS MEET, FETE U.S. CONGRESS GROUP

OW090754 Beijing XINHUA in English 0735 GMT 9 Jul 86

[Text] Beijing, July 9 (XINHUA) -- Wang Renzhong, vice-chairman of the National People's Congress Standing Committee, met a delegation from the budget committee of the House of Representatives of the United States led by the committee chairman W.H. Gray at noon time today.

Wang, also chairman of the financial and economic committee of the NPC, noted that the Sino-American contacts had increased year by year. In recent years, he said, although bilateral trade had grown, their volume only accounted for a small proportion of the total U.S. import and export trade.

He expressed the hope that the U.S. Congress and administration would approach the Sino-U.S. trade and U.S. technology transfer to China from a long-term point of view and adopt a policy of more preferential treatment toward their development.

Gray said that he was very pleased to note bilateral cooperation in many fields. The U.S. had become an important trading partner of China. "We are looking forward to further developing our relations," he added.

Later, Han Zheyi, vice-chairman of the financial and economic committee of the NPC, gave a luncheon in honor of the U.S. visitors. This morning, Han Zheyi held talks with Gray and his party on further development of bilateral economic and technological cooperation and trade. The delegation arrived here yesterday at the invitation of the financial and economic committee of the NPC.

Yao Yilin Discusses Exports

OWO91058 Beijing XINHUA in English 1011 GMT 9 Jul 86

[Text] Beijing, July 9 (XINHUA) -- Chinese Vice-Premier Yao Yilin met a delegation from the budget committee of the House of Representatives of the United States led by committee chairman W.H. Gray here this afternoon. Yao said China, as a developing country, should strengthen its economic and technological cooperation and trade with the developed nations.

While importing U.S. equipment and technology, he noted, China is keen to export more products to the U.S. because only when China exports more can it import more. Referring to U.S. investment in China, Yao said that the U.S. has funds, technology and equipment while China is rich in manpower. These advantages, once combined, will benefit both countries, he added.

BO YIBO MEETS WITH U.S. JOURNALISM SCHOOL DEAN

OWO50555 Beijing XINHUA in English 0551 GMT 5 Jul 86

[Text] Beijing, July 5 (XINHUA) -- Bo Yibo, vice-chairman of the Central Advisory Commission of the Chinese Communist Party, met with James Atwater, dean of the School of Journalism, University of Missouri, the United States, and Mrs. Atwater here today.

Since the establishment of the Snow Foundation by the School of Journalism in 1981, the school has trained about 25 Chinese Snow fellows who are now working in the XINHUA NEWS AGENCY, CHINA DAILY, Radio Beijing, China Central T.V., China Reconstructs and BEIJING REVIEW.

Bo expressed his thanks to the school for its help. He said that is a good beginning and will promote the mutual understanding and friendship between the two countries. Atwater said his school is willing to train more journalists for China.

Present at the meeting were Zeng Jianhui, deputy director-general of the XINHUA NEWS AGENCY, and Zhou Lifang, executive associate dean of the China School of Journalism. The Atwaters arrived here June 29 as guests of the XINHUA NEWS AGENCY.

PRC TRADE, ECONOMIC EXHIBIT IN MOSCOW PREVIEWED

OW081128 Beijing in Russian to the USSR 1800 GMT 6 Jul 86

[Excerpts] A PRC trade and economic exhibition will be held in Moscow from 25 July to 10 August. Like last year, it will be located in the same pavilion in Sokolniki, at the third Moscow international communal and repair service equipment fair building. Our correspondent recently obtained details on the preparations being made in Beijing for the exhibition and examined some of the displays which will soon be sent to Moscow. Here is his reportage:

The PRC trade and economic exhibition is being organized by the China Council for Promotion of International Trade. (Xie Jianqun), leader of the PRC exhibition delegation who will soon leave for Moscow, told us about the preparations for the exhibition. Here is what he said: According to the agreement on the mutual organization of exhibitions in the PRC and the Soviet Union signed by the governments of both countries in 1986, a PRC trade and economic exhibition will be held in Moscow. The exhibition hall area is 2,500 square meters. Five ministries and 22 PRC foreign trade companies will take part in the exhibition.

At the exhibition, Soviet visitors will see new products of our country's machine-building and electronic industries, including machine tools with digital controls and precision machine tools, new equipment for modern metallurgical enterprises, satellite communication system ground stations, and new models of domestic electric appliances. Models of the scientific expeditionary ship Taiyanghung No 10, a container carrier, a tanker, and a floating oil drilling platform designed and built in China, and models of the artificial earth satellite Great Mission 3 rocket will be exhibited. Products of the oil and chemical industries and ferrous and nonferrous metal items will be shown at the exhibition. Among the exhibits will also be traditional light industry goods such as textiles, art works, grain, oil and food products, well-known Chinese fur items, rugs, and down products, as well as books and magazines. There will be over 4,000 exhibits in all.

Soviet visitors will have the chance to see our domestic color TV receivers of the Gold Star, Beijing, and [word indistinct] brands. [passage omitted]. Exhibition workers told us that Gold Star sets are exported to over 20 countries and regions including Finland, Singapore, Thailand, and Hong Kong. Beijing color television receivers are exported to Hungary. [passage omitted]

We heard Russian spoken via the two-system, PAL/SECAM, (Pion) color TV receiver, which receives TV programs via a Soviet communications satellite. An exhibition worker told us that a domestic set for receiving television programs via communication satellites will be taken to Moscow. At some stands at the exhibition TV sets will show video recordings with captions in Russian. [passage omitted].

An exhibition worker told us that machine tools with digital controls are high-precision tools and can compete with advanced machine tools from the FRG, Japan, and other countries. [passage omitted] Before the departure of the PRC trade and economic exhibition delegation for Moscow, we asked delegation leader (Xie Jianqun) to say a few words for Soviet radio listeners. Here he is at the microphone: [Begin (Xie Jianqun) recording in Russian] The PRC trade and economic exhibition will be the first independent Chinese exhibition in Moscow since 1953. We sincerely hope that this exhibition will make a positive contribution to the development of trade and economic cooperation between the PRC and the Soviet Union, and to the cause of improving mutual understanding and friendship between the people of our two countries. We warmly invite Soviet friends to visit our exhibition in Sokolniki Park. [end recording]

PRC-DPRK AMITY ANNIVERSARY NOTED IN BOTH CAPITALS

Reception Held in Beijing

OW091400 Beijing XINHUA in English 1344 GMT 9 Jul 86

[Text] Beijing, July 9 (XINHUA) -- The 25th anniversary of the signing of the Sino-Korean Treaty of Friendship, Cooperation and Mutual Assistance was marked at a reception here today. Among the 250 people attending were Chen Pixian, vice-chairman of the Standing Committee of China's National People's Congress, a Korean radio and television delegation led by Chu Chang-chun, a delegation from the Korean-China Friendship Association led by O Mun-han, Korean Embassy officials, experts and students here.

In his speech, Zhang Wenjin, president of the Chinese People's Association for friendship with Foreign Countries, expressed satisfaction over the two countries' mutual assistance and cooperation in the political, diplomatic, economic, cultural and educational fields in line with the friendship treaty. He called for further strengthening of friendly cooperation between the two countries and the unity of the two peoples.

Korean Ambassador to China Sin In-ha expressed the belief that Sino-Korean friendship would be further consolidated and developed. The Korean people and party are determined to develop their friendship with China from generation to generation, he said.

Artists gave performances at the reception. The occasion was also celebrated today at the China-Korea friendship people's commune in the city's suburbs.

Leaders Send Message to DPRK

OW100806 Beijing XINHUA in English 0747 GMT 10 Jul 86

[Text] Beijing, July 10 (XINHUA) -- Chinese party and state leaders today sent a message to their Korean counterparts to congratulate them on the 25th anniversary of the signing of the Treaty of Friendship, Cooperation and Mutual Assistance between China and Korea. The message to Korean President Kim Il-song and premier of the Administration Council Kang Song-san was written by General Secretary of the Central Committee of the Chinese Communist Party Hu Yaobang, President Li Xiannian, Chairman of the Standing Committee of the National People's Congress Peng Zhen and Premier Zhao Ziyang.

The message says that the cooperation treaty is of great significance in the history of the friendly relations between the two countries. The treaty reflected the sincere aspiration and firm determination of the two peoples of China and Korea to further their solidarity and maintain peace in Asia and the rest of the world, the message says.

Under the guidance of the spirit of the treaty and in accordance with the principles of Marxism-Leninism and proletarian internationalism, the message says, China and Korea have further promoted bilateral cooperation in the political, economic, military, cultural, scientific and technological fields.

The message says that the Chinese people are glad to have seen that the Korean people, under the leadership of the Korean Workers' Party led by Comrade Kim Il-song, have been maintaining the policy of political self-determination, economic independence and self-reliance in national defense.

The Chinese party, Government and people will continue their efforts to maintain friendly China-Korea relations and support the Korean people's efforts for the relaxation of the tense situation on the Korean peninsula and the realization of Korean independence and peaceful reunification, the message concludes.

DPRK Leaders Send Greetings

OW101016 Beijing XINHUA in English 0949 GMT 10 Jul 86

[Text] Beijing, July 10 (XINHUA) -- Chinese leaders today received letters from Korean President Kim Il-song and Kang Song-san, premier of the Administrative Council, which referred to the signing of the Treaty of Friendship, Cooperation and Mutual Assistance between China and Korea 25 years ago as "a significant thing." The late Chinese Premier Zhou Enlai and Korean President Kim Il-song signed the treaty July 11, 1961 in Beijing.

In Kim's letter to General Secretary of the Central Committee of the Communist Party of China Hu Yaobang, President Li Xiannian and chairman of the Standing Committee of the National People's Congress Peng Zhen, the general secretary of the Central Committee of the Workers' Party of Korea said that the treaty has developed Korean-Chinese friendly cooperation to a high level. The treaty has contributed greatly to the socialist constructions of the two countries and the preservation of world peace, Kim said.

Kim also extended his firm support to China's efforts for peaceful reunification of the motherland. Kim also expressed his satisfaction with China's efforts in the acceleration of the friendship between the two countries.

In Kang's letter to Premier Zhao Ziyang, he hoped that the friendship between the two countries will be further strengthened based on reliable close relations.

Friendly Relations Praised

OW091900 Beijing XINHUA in English 1747 GMT 9 Jul 86

[Text] Pyongyang, July 9 (XINHUA) -- Korean and Chinese officials today highly praised the development of friendly relations between the two countries over the past 25 years. The statements were made at a ceremony held here to mark the 25th anniversary of the Korea-China Treaty of Friendship, Cooperation and Mutual Assistance.

Korean party and Government officials including chairman of the Central Committee for Foreign Cultural Relations Yi Mong-ho attended the ceremony. Vice-President of the Chinese People's Association for Friendship With Foreign Countries Huang Shiming, who led a Sino-Korean Friendship Association delegation to attend the treaty anniversary celebrations, and Chinese ambassador to Korea Zong Kewen were also present on the occasion.

Speaking at the ceremony, chairman of the Central Committee of the Korea-China Friendship Association Li Cha-pang said the signing of the treaty has sealed in legal form the Korea-China friendship which was formed in their severe and glorious common struggle. The Korean and Chinese peoples, he stressed, are old comrades-in-arms who have cemented their friendship with blood and sacrifice in the protracted common struggle. The Korean people will always advance shoulder to shoulder with the Chinese people, he added.

Huang said the Sino-Korean Treaty of Friendship, Cooperation and Mutual Assistance is of great significance in strengthening and promoting the friendship and cooperation between the two peoples and safeguarding peace in Asia and the rest of the world. The traditional Sino-Korean friendship has stood the test of strong winds and storms and no force can destroy it. "We will do our utmost to further enhance and develop the friendship and unity between us and hand it down to the future generations," he said.

A Chinese film was shown at the ceremony. In the afternoon, a photo exhibition on China's achievements in construction was jointly held here by the two parties. Meanwhile, a three-day Chinese film festival, which started yesterday, is being held in the cities of Pyongyang and Sinuiju to mark the occasion.

DPRK Delegation Arrives

OW100610 Beijing XINHUA in English 0559 GMT 10 Jul 86

[Text] Beijing, July 10 (XINHUA) -- A Korean party and government delegation arrived here at noon today to attend the celebration activities for the 25th anniversary of the China-Korea Treaty of Friendship, Cooperation and Mutual Assistance. The treaty was signed on July 11, 1961. Headed by Yi Chong-ok, member of the Political Bureau of the Central Committee of the Workers' Party of Korea and vice-president of the Democratic People's Republic of Korea, the delegation, which came by train, will also pay a friendship visit to China.

Wan Li, member of the Political Bureau of the Chinese Communist Party Central Committee, and acting premier, will hold a welcoming ceremony in honor of the Korean guests. He will also give a banquet to celebrate the anniversary of the treaty signing. After their arrival, the Korean guests were met and guests of honor at a luncheon by Xi Zhongxun, member of the Political Bureau of the CPC Central Committee.

Tian Jiyun, Delegation To DPRK

OW100606 Beijing XINHUA in English 0555 GMT 10 Jul 86

[Text] Beijing, July 10 (XINHUA) -- A Chinese party and government delegation left here for Democratic People's Republic of Korea this morning to attend celebrations marking the 25th anniversary of the signing of the Sino-Korean Treaty of Friendship, Cooperation and Mutual Assistance.

The delegation is led by Tian Jiyun, member of the Political Bureau and of the Secretariat of the Chinese Communist Party Central Committee and vice-premier.

Delegation members are Xu Huizi, member of the CPC Central Committee and deputy chief of general staff of the People's Liberation Army; Jiang Guanghua, deputy head of the International Liaison Department under CPC Central Committee; Liu Shuqing, vice-minister of foreign affairs; Lu Xuejian, vice-minister of foreign economic relations and trade; and Zong Kewen, Chinese ambassador to Korea.

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NORTHEAST ASIA

The delegation was seen off at the airport by Zhu Liang, head of the International Liaison Department under CPC Central Committee and Sin In-ha, Korean ambassador to China. Prior to the departure, Tian told the Korean ambassador, "This is my first visit to Korea. I'm going with the mission to enhance Sino-Korean friendship. I hope my visit will be a success."

Tian Delegation Arrives in Pyongyang

OW100818 Beijing XINHUA in English 0804 GMT 10 Jul 86

[Text] Pyongyang, July 10 (XINHUA) -- A Chinese party and state delegation arrived here this morning to celebrate the 25th anniversary of the signing of the Treaty of Friendship, Cooperation and Mutual Assistance between China and Korea. The delegation is led by Tian Jiyun, member of the Political Bureau of the Central Committee of the Communist Party of China and vice premier of the State Council.

The late Chinese Prime Minister Zhou Enlai and Korean President Kim Il-song signed the treaty on July 11, 1961 in Beijing. In the light of the treaty, the two peoples have cooperated fruitfully in various fields. And friendship and cooperation between the two countries has been accelerated. Korea will hold public lectures, banquets and rallies as part of the celebrations.

Chen Pixian Opens DPRK Photo Show

OW081112 Beijing XINHUA in English 1049 GMT 8 Jul 86

[Text] Beijing, July 8 (XINHUA) -- A photo exhibition on the construction of the Democratic People's Republic of Korea opened here today. It is sponsored by the Chinese Ministry of Culture to mark the 25th anniversary of the China-Korea Treaty of Friendship, Cooperation and Mutual Assistance.

Chen Pixian, member of the Secretariat of the Chinese Communist Party Central Committee, cut the ribbon at the opening ceremony.

On display are 58 color as well as black and white photos on cooperation between the Chinese and Korean parties and the two countries, and achievements of the Korean people in building their country under the leadership of President Kim Il-song.

Also present at the opening ceremony were Vice-Chairman of the Korean Committee for Cultural Relations With Foreign Countries O Mun-han, who has come especially to attend activities marking the anniversary of the treaty, and Korean Ambassador to China Sin In-ha.

ZHAO ZIYANG CONTINUES EUROPE-AFRICA TRIP

Meets With SFRY Industrialists

OW091812 Beijing XINHUA in English 1804 GMT 9 Jul 86

[Text] Ljubljana, Yugoslavia, July 9 (XINHUA) -- Visiting Chinese Premier Zhao Ziyang said here today that the economic cooperation between the Slovenian Republic of Yugoslavia and China has a broad prospect but requires greater joint efforts to expand it.

In a meeting with a group of industrialists from various local companies which have already established or are prepared to open business relations with China, the Chinese premier, after being briefed on their production and overseas operation, said Slovenia's cooperation with China has had a good beginning.

Slovenian industrialists are active in seeking suitable forms of cooperation based on mutual needs, equality and mutual benefit. and this is a very important condition to enable the economic and trade relations to develop smoothly, Zhao stressed. He also told them that China had a large market, but this market can play its role only when it has a necessary payment capacity.

Premier Zhao noted that Slovenia, a republic is northwestern Yugoslavia, is better developed economically than other parts of the country, and the industrialists are familiar with the international market situations. Because of these advantages, Slovenia can expect a bigger share in the country's economic cooperation with China in future, he added.

The companies represented at today's meeting with Premier Zhao are all associated with the Ljubljana-based "smelt" project management organization which has business relations with many developing countries and has opened an office in Beijing.

Ends SFRY Visit

OW100110 Beijing XINJUA in English 0059 GMT 10 Jul 86

[Text] Ljubljana, Yugoslavia, July 9 (XINHUA) -- Chinese Premier Zhao Ziyang wraps up his four-day visit to Yugoslavia tonight and moves on to Greece tomorrow morning. The northwestern Republic of Slovenia is Zhao's last stop in Yugoslavia.

Premier Zhao had a friendly meeting with Slovenian President France Popit here this afternoon. During the meeting, President Popit elaborated on the work done by the Presidency of the Yugoslav Republic and expressed his hope that the economic, scientific-technological, trade and cultural cooperation between the Slovenian Republic and China's Sichuan Province will be further expanded.

Zhao expressed his appreciation of Slovenia's experience in economic cooperation with China's Sichuan Province. After meeting Popit hosted a banquet for Zhao. During his stay in Slovenia, Premier Zhao also visited a cultural center named after well-known Slovenian writer Ivan Cankar.

ZHU QIZHEN IN MEXICO RAPS U.S. AID TO CONTRAS

OW091222 Beijing XINHUA in English 1155 GMT 9 Jul 86

[Text] Mexico City, July 8 (XINHUA) -- China deplores outside intervention in Central America, Chinese Vice Foreign Minister Zhu Qizhen declared here today. Speaking at the Institute of Diplomatic Studies of the Mexican Ministry of Foreign Affairs, Zhu said China opposes the recent approval by the U.S. House of Representatives of 100 million U.S. dollars in aid to the Nicaraguan rebels, also known as "contras."

Zhu praised the Contadora Group and the Lima Group for their efforts to reduce tension in Central America and find a political solution to the regional conflict.

In his speech entitled "China's Foreign Policy of Independence and Peace," the Chinese vice-foreign minister expounded on Chinese policies on a wide range of international issues and its relations with Mexico.

On the debt burden of Latin American countries, Zhu said China expects "the developing countries concerned and the international financial organizations to adopt a positive attitude of cooperation in order to help debtor countries to recover and develop firstly its economy in order to promote the payment of the debt by means of growth and to stop continuing to sacrifice the interests of the peoples of those countries."

He said "a fundamental principle of China's foreign policy lies in opposing hegemonism and safeguarding world peace. Everything that contributes to world peace and stability can count on China's support, while all hegemonistic acts, coming from wherever they may come and in any form they may take, will be the object of our repudiation."

"Independence and self-determination is a basic principle of China's foreign policy," he said. "China will not subordinate itself ever, and under no circumstances, to big powers or blocs of countries, nor will it align itself, establish strategic relations with any big power nor cede to its pressures."

"The affairs of each country must be handled by its own people through consultation rather than be decided by one or two powers. The disputes between nations must be solved peacefully through negotiations on the basis of equality, without resorting to force nor to the threat of the use of force," he emphasized.

Zhu said since 1972, when diplomatic relations between China and Mexico were established, their relations have developed satisfactorily in all fields. He said among the Latin American countries, China has the largest number of scientific and technological cooperation programs and cultural exchanges with Mexico. He said friendly cooperation between Mexico and China has great potentialities.

More than 80 Mexican diplomats attended the conference.

Leaves Mexico for Cuba

OW100014 Beijing XINHUA in English 0003 GMT 10 Jul 86

[Text] Mexico City, July 9 (XINHUA) -- Chinese Vice Foreign Minister Zhu Qizhen left here to proceed to Cuba today after a two-day working visit here during which he and his Mexican counter-parts reviewed bilateral relations and a number of international issues.

Zhu Qizhen held friendly, cordial and frank conversations with Mexican under-secretaries Alfonso de Rosenzweig-Diaz, Victor Flores and Ricardo Valero on separate occasions, Chinese Embassy officials here said. They particularly discussed the question of economic and scientific cooperation between China and Mexico.

Zhu Qizhen told his hosts that China is satisfied with the developing relations of cooperation between the two countries. In the international arena, he underlined, China and Mexico coordinate with and support each other mutually since their positions and views with respect to important international problems are identical or similar.

The Mexican diplomats, describing the talks of the past two days as fruitful, expressed the hope that the bilateral relations be furthered. They also expressed their gratitude to China for its support to the Contadora Group and for its just position towards Central American problems.

Arrives in Cuba

OW100718 Beijing XINHUA in English 0652 GMT 10 Jul 86

[Text] Havana, July 9 (XINHUA) -- The Chinese vice-minister of Foreign Affairs, Zhu Qizhen, arrived here this afternoon on a four-day official visit to Cuba at the invitation of the Cuban Ministry of Foreign Affairs.

This is the first official visit made by a Chinese vice-minister of foreign affairs to Cuba in the last 20 years.

ECONOMIST SAYS RENMINBI DEVALUATION 'GOOD THING'

HK091000 Hong Kong ZHONGGUO XINWEN SHE in Chinese 0416 GMT 9 Jul 86

[Report: "Well-Known Qian Jiaju on Renminbi Devaluation as a Good Thing"]

[Text] Beijing, 9 Jul (ZHONGGUO XINWEN SHE) -- Well-known economist Qian Jiaju believes that China's initiative to readjust the renminbi [RMB] exchange rate is a good thing. This is a decisive measure by the relevant authorities in light of changes in domestic and international market price conditions.

Qian Jiaju was giving this reporter his view on the 15.8 percent devaluation of the RMB announced on 5 July. He said that for a long time, the RMB was overvalued against foreign currencies, the official rate being incompatible with the actual worth of the RMB. The country is now revising commodity prices in a reform. It of course also wants to gradually solve the problem of overvaluation, where the foreign exchange market is concerned.

Since early last year, the RMB all along showed a trend toward depreciation. Qian Jiaju said that the substantial devaluation of the RMB this time was of course unexpected. It gave expression to China's determination to improve foreign trade conditions and stimulate enterprise competitiveness and reform.

Qian Jiaju stressed that a reduced foreign exchange rate has the effect of restraining imports and promoting exports and helps in overcoming an unfavorable trade balance. He said that China had for consecutive years shown a foreign trade deficit, the most serious being last year. According to trade statistics by the Ministry of Foreign Economic Relations and Trade, the deficit reached U.S. \$7.6 billion. Despite improvement in the first part of this year things have not been optimistic.

Qian Jiaju also said: Why has there been a foreign exchange black market? This is also because of the irrational exchange rate of the RMB. This has caused a gap between the foreign exchange certificate and the RMB. In Guangdong Province, this price difference is at least 1 to 1.4. This economist, who has all along keenly advocated the abolition of the foreign exchange certificate, said: Of course, after a great depreciation in the value of the RMB, it remains to be seen whether there will be a drop in the black market price. But it will help in abolishing the foreign exchange certificate at the next stage.

Qian Jiaju considers that the rapid reaction of the Hong Kong and foreign press to the devaluation of the RMB is normal. What surprises him is that the mainland press has been so slow in reacting to such a major economic change. Some economic journals have even said nothing about it.

RENMIN RIBAO ON DIRECTOR'S RIGHT TO USE PERSONNEL

HK091324 Beijing RENMIN RIBAO in Chinese 8 Jul 86 p 1

["Commentator's article: "Guarantee the Plant Director's Right To Use Personnel"]

[Text] In enterprises in which the system of factory directors assuming all-round responsibility is implemented, the directors have the power to appoint and remove intermediate-level administrative personnel. [paragraph continues]

This is a major reform in the leadership system in China's enterprises. A correct view on and the ensurance of such power of enterprise directors is an important question in implementing the system of factory directors assuming all-round responsibility.

In enterprises in which the system of factory directors assuming all-round responsibility is implemented, the power to use personnel is essential. An important characteristic of modern enterprise management is the combination of responsibility and power. An enterprise director is the leg. is homo representative, who bears entire responsibility for the command, operation, and management in the production of the enterprise. Hence, he must have authority, including the power in using personnel. The director has the power to appoint and remove intermediate-level administrative cadres based on the needs of production, operation, and management. Only then will it be possible to establish a powerful and highly efficient system of command, operation, and management in production, in order to realize efficient leadership in production operation and management. Since the system of factory directors assuming all-round responsibility was implemented in some enterprises on a trial basis, it has been proved that when the director has the power to use personnel, it is possible for him to make his command work, the decision making prompt, and to achieve high efficiency in handling affairs, which has promoted production development and improved economic results.

In China, the implementation of the principle of the party's control over cadres is correct. However, the party's control over cadres does not mean that the appointment and removal of all cadres should be directly conducted by party organizations. A kernel question in the reform of the leading body in enterprises is precisely to change the condition of making no separation between party and government, with the party taking the place of the government in economic activities. In his report delivered to the CPC 12th National Congress, Comrade Hu Yaobang pointed out: "There must be appropriate division of labor between party and government work, and between party work and administration and production in enterprises. The party is not the power organization to issue orders to the masses, nor is it an administrative or production organization." This is an important principle guiding the reform of the leading body in enterprises. Such a practice will be favorable to the production and operational activities of the enterprise, as well as strengthening the party work in enterprises. As leadership of the administrative system of the enterprises, a factory director certainly has the power to determine the appointment and removal of subordinates. Without this power to appoint or remove subordinate administrative cadres, it would be unfavorable to both the production and the operation and management of the enterprise. This has been repeatedly proved in practice.

The director must have necessary power to use personnel, but this does not mean that the director can act arbitrarily and abuse his power. The director should use his personnel strictly according to the party's cadre policy and the criteria for cadres. In making an important decision concerning personnel, he should consult with the party committee and attend to the masses' opinions; however, the director must have the decision-making power in the appointment and removal of personnel. Of course, establishing systems to ensure the necessary supervision of the party organization, congress of representatives of workers and staff, and administrative organs at a higher level is also very important. Based on the investigations of some provinces and cities on the enterprises in which the system of factory directors assuming all-round responsibility has been implemented, the overwhelming majority of intermediate-level administrative cadres appointed by directors is very good, and competent in their work. [paragraph continues]

Some individuals are inappropriately appointed, which is not because of directors abusing their power, appointing people by favoritism, but out of neglecting their supervisory duties. Such conditions are sometimes entirely unavoidable with party committees directly appointing cadres. Therefore, the correct view on and ensurance of directors' power in using personnel are necessary, and we should believe that the overwhelming majority of enterprise directors will correctly use this power and work hard to run the enterprises well.

RENMIN RIBAO URGES CADRES TO ABIDE BY LAW

HK090242 Beijing RENMIN RIBAO in Chinese 9 Jul 86 p 2

[Commentator's article: "Office Cadres Must All the More Abide by Law"]

[Text] Five culprits involved in another major case of giving and accepting bribes and harboring stolen goods were sentenced in Shanghai according to the law. Yu Tiemin, the chief culprit, was sentenced to life imprisonment for taking more than 30,000 yuan in bribes.

As the deputy director of the general office of the Shanghai Municipal CPC Committee, Yu Tiemin should have been more aware of party discipline and state law than anybody else. However, blinded by the lust for gain, he went so far as to defy party discipline and state law, and repeatedly abused his position and powers and misused the names of leading officials to pursue private interests at public expense in violation of the law, thus producing very harmful political repercussions. He served the severe punishment by the law.

People are surely given much food for thought on why a party-member cadres, who had assumed a relatively important post in a leading organ and worked directly under senior leaders over a long period of time, degenerated into an economic criminal.

Throughout the party and government are functionaries who as assistants to major leaders shoulder important tasks and are trusted by the leaders and respected by comrades of offices at lower levels, although these functionaries are not principal leading cadres. It is precisely because of this that people in such positions should pay special attention to their conduct; otherwise they will forget where they are and overstep their authority in violation of discipline. A few individuals will even break the law and degenerate into criminals. The cases of Yu Tiemin and others show that there are criminals who, in order to realize an evil objective, try to use those working directly under major leaders. They do succeed sometimes. This is a problem that merits our vigilance.

Needless to say, Yu Tiemin and other corrupt officials are, after all, a small minority in the party and the government. The overwhelming majority of office cadres have ideals, abide by law, work hard and conscientiously, and are willing to remain unsung heroes. They have performed meritorious services for the undertakings of the party and the people, and contributed to smooth progress of senior leaders' work and leading organs' effective operations. However, it should also be pointed out that bureaucracy, abuse of power to acquire private gains, unprincipled behavior, liberalization, and other unhealthy trends are popular among office cadres, and they should be prevented or eliminated. [paragraph continues]

These unhealthy practices may not be crimes, but the gap between them and crime is no impassable chasm. One ant hole may cause the collapse of a thousand-li dyke." Only by continuously strengthening our party spirit and taking the initiative to discover and block the "ant hole" can we be in an invincible position.

Another lesson to be drawn from the Yu Tiemin case is that major leaders should set strict demands on functionaries, especially those who work for them. Generally speaking, comrades selected to work directly under major leaders are reliable and outstanding and should be fully trusted and allowed freedom to do their jobs. However, as they are not living in a purified environment, they may be influenced by all kinds of unhealthy trends and change their thinking sometimes. Therefore, they should be carefully supervised. A vital part, if it loses vigilance, may become the weakest link. This is a lesson drawn from many bitter experiences in modern or ancient times, in China or elsewhere, and it should serve as a warning to us.

GUANGZHOU RAILWAY BUREAU REFORMS REPORTED

HK090827 Beijing RENMIN RIBAO in Chinese-3 Jul 86 p 2

[Newsletter by reporters Lin Xi and Liu Guosheng: "Upholding Healthy Practices for the Sake of Reform -- An Account of Reforms Conducted by the Guangzhou Railway Bureau"]

[Excerpts] Censure, and even slander and frame-up, always come along with reform. However, in the Guangzhou Railway Bureau, we have seen an encouraging case: Braving censure, the cadres and staff members of this bureau have justly and forcefully carried out reform. They have not only managed to keep the momentum of reform but also achieved great success every year.

Old Conventions Cannot Be Taken as Infallible Laws

In 1982, the Guangzhou Railway Bureau set to rectifying its subordinate enterprises in accordance with the plan drawn up by the CPC Central Committee and the Ministry of Railways. In the course of rectification, the bureau has introduced a series of package reforms relating to the leadership structure, the management orientation, the distribution system, the cadre system, the labor organization, and the capital construction structure.

One of the long-standing major problems with regard to railway transport is the contradiction between the transport capacity and the freight volume. [passage omitted]

In April 1981, during his inspection of the railway bureau, Comrade Wan Li called for a change in this situation, demanding that the annual freight volume of the Hengyang-Guangzhou section of the Beijing-Guangzhou railway be raised by two million tons in 3 years. For a long time the railway transport setup had been placing undue emphasis on production output but ignored management efficiency. The Guangzhou bureau decided to make a breakthrough in the pure production mode and adopt the mode of integration of production and service management, since only the latter mode can really raise transport capacity. However, all the rules and regulations governing the operation of the railway transport setup were established by the higher authorities, and "shift from one mode to another" can hardly be effected without authorization by a "red headered document." [paragraph continues]

Yang Qihua, a tall northeastern native who has worked on the railway transport front since he was young, believed that it was a good idea to break the old conventions that fetter the development of railway transportation, tap the potential of the railway transport setup, and seek self-development. So he worked together with all the cadres of the bureau to find a new path. [passage omitted]

The reforms initiated by the Guangzhou bureau were applauded like wonderful opera acts. But there were also a lot of disputes: Is it right to set the rotation volume of freight transportation as a goal? Who will be held responsible if there is an accident under the shift duty system? Is it suitable for railway transport units to implement the system of taking full responsibility for profits and losses? And, is the operation of shopping arcades and hotels a proper duty for a railway station?

The leading cadres of the Guangzhou bureau held that the only criterion to judge whether a measure is correct is that it must be able to help to develop productive forces and raise the social economic results. One should boldly adopt any measure which meets this criterion.

Rumors and Slander Are Nothing To Be Afraid Of

Censures and slander on the reform are always directed first at the leading cadres.

In order to break the "life tenure system" for cadres, the Guangzhou bureau decided that from late 1982 onward, all over-age cadres at bureau level should withdraw to the second and third lines. Now, except for some individuals remaining in office with the special permission of the higher authorities, all other cadres at all levels have to retire as soon as they reach retirement age. Such a practice has already become the normal system.

However, acute contradictions have arisen from such highly sensitive issues as those relating to the system of administration over cadres and the system of staff appointments. The Guangzhou bureau has forsaken the old practice where the cadre department exercises unified administration over cadres, and has separated the administration over administrative and technical cadres from that over cadres in charge of party affairs and the work dealing with the masses, with a view to more efficiently selecting and appointing cadres with both ability and political integrity. Now the railway bureau and all its sub-bureaus have abolished their cadre departments (sections) but set up personnel offices (sections) to take care of administrative and technical cadres, while the cadres in charge of party affairs and dealing with the masses are administered by the organizational department of the party committee. At the same time, the power of administration over cadres has been delegated to lower levels. [passage omitted]

So far the Guangzhou Railway Bureau has selected and appointed more than 700 young and middle-aged cadres to take up leading posts at all levels in accordance with the party's line government organizational work and the criteria for staff appointment for the new period. As a result, both the structure and quality of the bureau's cadres' contingent have been substantially improved. However, some people have spread rumors and slander, saying that "Bureau Chief yang is forming a clique." Yang Qihua openly declared: "What do you mean by forming a clique? I will continue to draw into my 'clique' whoever can make contributions to the 'four modernizations'!"

Never Flinch From Slanders

While the Guangzhou bureau was actively promoting reform, a leading cadre at the bureau level who had withdrawn to the second line wrote a letter to the CPC Central Committee purely to attack Yang Qihua. To be sure, it is every CPC member's legitimate right to report the situation to his superior or even directly to the CPC Central Committee. But joint investigations conducted by several superior departments show that the so-called "problems in seven aspects" reported by that cadre were sheer fabrication! [passage omitted]

Reform is by no means an easy job, and carrying on reform in the face of censure, slanders, and frame-ups is still more difficult. Now the central department in charge and the Guangdong Provincial CPC Committee have clarified the truth of the matter: Yang Qihua is innocent and the spirit he has shown in boldly enforcing the reform is admirable. [passage omitted]

Commentator's Article

HK090829 Beijing RENMIN RIBAO in Chinese 3 Jul 86 p 2

[Commentator's article: "Reform Can Hardly Be Promoted When Right Is Confounded With Wrong"]

[Text] Some people say: "Carrying out a reform is even harder than climbing to heaven." They may have somewhat exaggerated the difficulty, but undoubtedly there is reason in what they say. However, despite the difficulties, there are still a lot of people trying to climb to heaven. They are people who are steadfastly, bravely, and vigorously enforcing reform. Only through steadfast and dauntless efforts can one constantly make progress in reform and achieve success. This is the inspiration we have drawn from the Guangzhou Railway Bureau's experience in reform.

Like other units, the Guangzhou Railway Bureau has carried out its reform in eliminating "leftist" influences. No reform in the world is free of obstacles. The important point is one's attitude toward the difficulties and obstacles in reform. If one stops at the sight of a "red light," gets nervous when a "yellow card" is shown, and feels frustrated when hearing "complaints," one can hardly succeed in reform. The reason the comrades of the Guangzhou Railway Bureau are admirable is because they have shown their courage and insight in upholding correct principles and persisting in reform, and have acted as strong men in reform. Why do they have their courage and insight? It is because, on the one hand they have a thorough understanding of the principles and policies of the reform laid down by the central authorities, as well as the actual situation in their own enterprises. On the other hand, they have been brave enough to ignore personal gain or loss, and farsighted enough to see the developing trend of things. Therefore they can have a firm faith in reform under all circumstances.

"Success invites censure and those with moral integrity are liable to slanders." This is one of the outstanding problems with which some units undergoing reform are currently faced. While onlookers are making wanton and indiscreet remarks and nitpicking, our men of action are under attack. In consequence, many reformers have "fallen from the horse's back." The Guangzhou Railway Bureau's experience shows us that a reform leader needs a sober mind and indomitable willpower so that he can distinguish right from wrong in the face of censures, be brave and skillful in surmounting obstacles, and gain the initiative.

What is more, they have fortunately achieved success in reform because departments in charge at the higher level have given no credence to slanders, but have taken the whole situation of the reform into consideration and made a clear distinction between right and wrong in light of in-depth and meticulous investigations, upheld justice, and supported the reform.

At present, many localities and units are carrying on the reform through compromise. This is because the leading people there do not want to concern themselves with censures and slanders against reform in their own units or in their subordinate units; or they just blame both sides of the disputes without discrimination; or they just do not want to declare where they stand although the truth of the matter has been clarified. Such an irresponsible attitude will do nothing but further encourage evil tendencies. In the course of the present reform, the prime duty of our leading departments is to distinguish clearly between right and wrong. And the only ultimate criterion to distinguish between right and wrong is to see whether a matter can help to expedite the development of social productive forces.

We must be brave in exposing and opposing all rumors and slanders against reform. And slanderers are subject to criticism and education in minor cases and to penalty by law in serious cases. Only by firmly supporting reform, skillfully distinguishing between the principal and secondary aspects of reform, and enthusiastically preserving the reformers' initiative, can we create a favorable environment for reform, and thus enable a large number of progressives emerging in the reform to go all out with their righteous cause.

PAPER VIEWS IMPLEMENTATION OF PARTY POLICIES

HK271235 Wuhan CHANGJIANG RIBAO in Chinese 17 Jun 86 p 1

[Commentator's article: "What Is Meant by True Implementation of the Party's Policies?"]

[Text] On 4 April, this paper carried a commentator's article entitled "It Is Necessary To Adhere to the System in Which the Director Assumes Full Responsibility." Soon after this, one of our readers wrote to criticize the article for going against what the party Central Committee requires of us. The letter pointed out: The "circular" issued by the party Central Committee with regard to the promotion of cadres stipulates that "promotion of cadres must be collectively discussed and decided on by all members of the party committee and should not be decided by some individuals. However, your commentator's article advocates that in enterprises where the system in which the director assumes full responsibility is introduced on a trial basis, the director has the right to appoint or dismiss middle-level cadres. The motives of the comrade who wrote the letter are not bad. However, he failed to understand the central document in an all-round way and neglected another stipulation in the "circular" that enterprises which are selected to stage an experiment in reforming their leading system can use the circular for reference. Using it for reference does not mean acting strictly according to it. In regard to some people who often mechanically call for acting in accordance with regulations, we think it is necessary to put forward a question: What exactly is meant by true implementation of the party's policies and by maintaining political and ideological unity with the party Central Committee?

Some comrades believe that to maintain political and ideological unity with the party Central Committee, they must copy "classified documents" word for word, proceed in everything from documents not from actual conditions, and do everything "in view of the above." Whatever they do, these people usually ask whether what they is specified in "classified documents." They accept "classified documents" blindly, mechanically and dogmatically, and then in a manner of pinching the foot rather than changing the shoe. They adapt their outdated conventional ideas to actual conditions. As a result, they usually take a one-sided approach to the party's policies and cannot unswervingly implement them. Whenever they do or say something, they must first think about "where the instructions come from" and see where the "wind" comes from. They dare not say anything beyond what the higher authorities have said and they dare not do anything beyond what are specified in documents. Consequently, they can do nothing useful. Such "unity" with the party Central Committee is nothing but formal unity. This is just a shoddy sketch which is similar in appearance not in essence.

To really maintain political and ideological unity with the party Central Committee, on the one hand, we must grasp the spirit of "classified documents" and understand well the essence of the central principles and policies; on the other, we must conduct a careful investigation and study of actual conditions. Only by so doing will we be able to work in a creative way. Ours is a socialist country which has a vast territory and a very large population. Therefore, highly concerted action provides a guarantee for victory. However, when we stress concerted action, we should in no way ignore creativeness. Under the guidance of the central principles and policies, at present we should particularly encourage people to have the spirit of daring to think, assume responsibility, conduct explorations, and blaze new trails.

Reform is a mass undertaking of making explorations and blazing new trails. In the execution of the reform, we are often confronted with unexpected new problems. Our country is vast in territory and the situation varies from area to area and from department to department. It is therefore impossible for the central authorities to specify everything in too much detail. To speed up reform, we should depend on the enthusiasm, initiative, and creativeness of vast numbers of cadres and people. The central policies sum up the actual conditions in various parts of our country. They are highly principled and are of universal guiding significance. To iron out specific problems appearing in different localities and departments in accordance with these policies, we must know how to combine general calls for action with specific guidance. All specific policies are limited by time. They must be tested in practice and develop with the development of objective reality. When we make bold explorations according to actual conditions, instead of violating the central policies, we will contribute to enrich them.

Implementing the central policies creatively is fundamentally different in nature from the practice of "adopting countermeasures against the central policies." In saying implementing the central policies in a creative way, we mean that we must realistically apply the central instructions to different localities, departments, and units by proceeding in everything from actual conditions there, so as to devise solutions to problems and promote the progress of reform and economic construction. However, the practice of "adopting countermeasures against the central policies" is entirely different. It proceeds from departmental selfishness and the interests of individuals and small groups, violates the party's policies, and hinders or even damages the development of the productive forces. The political and theoretical levels of cadres have a direct bearing on the implementation of the party's policies.

Therefore, cadres should enhance their understanding of theories, use the basic Marxist stand, viewpoint, and method to understand the theoretical basis on which the party's general principles and policies are formulated, and understand the concrete objectives of all specific policies, of their scope of application, and their mutual connections. Only by so doing will they be able to have a complete and correct understanding of the central policies and work in a creative way.

ECONOMIC LAW SOCIETY TRAINS MORE PEOPLE

OW071932 Beijing XINHUA in English 1734 GMT 7 Jul 86

[Text] Beijing, July 9 (XINHUA) -- The training center of the Chinese Economic Law Society has trained in the past two years about 450 people for provincial and municipal governments, banks, enterprises and universities.

Addressing the closing ceremony of the third training class, Sun Yaming, vice-president of the society, said that the purpose of the class has been to train people well versed in economic laws to meet the needs of the ongoing economic reform in China.

He said students from the previous two classes reported what they had studied here was very useful to their work.

Teacher Sun Guohua, an associate law professor from the Chinese People's University, pointed out that Deng Xiaoping's remark "economic construction and law must go hand in hand" is essential.

Spread of economic law, he noted, "is not intended to bind the people hand and foot, but to teach them to use the weapon to protect their own interests."

Last Thursday, the professor gave a lecture to members of the Secretariat of the Chinese Communist Party Central Committee, and discussed some issues involved in economic legislation with them.

He pointed out that different laws must be correlated with one another so that the existing problems can be solved more reasonably.

The four-month training class run by the Chinese Economic law society offered courses on civil and economic laws.

At present, training classes on economic law have also been sponsored by many departments.

CRIME, DIVORCE UP AMONG PRIVATE ENTREPRENEURS

HK100453 Beijing CHINA DAILY in English 10 Jul 86 p 3

[Text] Crimes by private entrepreneurs have increased over the past two years, and divorce cases among them have also gone up, the Chinese press reported.

Last year, 395 people who owned or ran small businesses in Shanghai were sentenced to prison or reeducation camps for various offences, SOCIETY NEWS (WEN HUI BAO) reported.

The figure was double the number of offenders among private entrepreneurs in the city in 1984, the paper said.

Their convictions were mainly for stealing state or private property, evading taxes, threatening customers and buying and selling stolen goods, the paper said.

A police station in Shanghai confiscated the fake products of nearly 100 private businesses last year. One entrepreneur at Fuminlu Market evaded 10,000 yuan in taxes and another stole scrap from State-owned factories to earn an illegal profit of more than 20,000 yuan by reselling them to profiteers, the paper said.

The increasing divorce rate among the self-employed was revealed by an investigation in a Wuhan City district where many people run their own businesses.

In 1983, the district saw 20 divorces among private entrepreneurs. There were 64 in 1984 and 144 in 1985 -- the rate more than doubling each year, the WEN HUI BAO newspaper said.

The paper said the increase occurred because after families got money, husbands and wives argued over it. "With their social contacts widened because of their businesses, some became involved with 'third parties' and such involvements have led to divorces," the paper said.

China has permitted private business since the late 1970s.

EDUCATION OFFICIAL INTERVIEWED ON STUDY ABROAD

OW090801 Beijing XINHUA Domestic Service in Chinese 1118 GMT 7 Jul 86

[Excerpts] Beijing, 7 Jul (XINHUA) -- Recently the news media has received quite a number of readers' letters asking questions about studying abroad. To find answers to these questions, reporters from XINHUA and ZHONGGUO JIAOYU BAO [CHINA EDUCATION NEWS] called on and had an interview with a responsible person of the State Education Commission.

Question: Some people say that our country will send fewer people to study abroad. Is that true?

Answer: No, it is just the contrary. From now on, our country is expected to send more rather than less people to study abroad. In the first place, the total number of personnel sent to study abroad at state expense during the Seventh 5-Year Plan period will remain by and large at the present level, while more personnel will be dispatched by various localities, departments, and units, using their own funds to financially support these personnel in their study abroad; there will also be more personnel sent to foreign countries under student-exchange programs compared with present. Second, with the expanded exchange with foreign countries, more people will be selected in a planned way and sent to study and receive scholarships, education loans, and other kinds of aid as their financial support. They include those personnel selected and sent abroad by the state and various localities and units as well as individuals studying in foreign countries with the concurrence of their respective units.

Question: The State Education Commission has stressed the need to implement the principle of dispatching personnel to study abroad according to needs. What are the specific measures in this regard?

Answer: We are prepared to adopt five specific measures: First, we will strengthen macro-guidance. That is, we will send more people abroad to study the applied disciplines urgently needed in our country's four-modernizations program as well as those disciplines that are new or are still lacking in our country. On the other hand, fewer people will be sent to study in those fields that are already rather developed in our country. In addition, emphasis will be put on sending out visiting scholars and personnel going abroad for further study. Second, we will gradually cut down on the number of college graduates going abroad to study for master's degrees, while increasing the number of those going abroad to study for doctoral degrees after obtaining master's degrees at home. In the meantime, efforts will be made to open up avenues for our higher educational institutions and scientific research units to cooperate with their counterparts in foreign countries to jointly train Chinese doctors. Third, the present regulations governing the selection of students for postgraduate study abroad will be changed. Beginning this year, most of the quotas for government-sponsored students engaged in postgraduate studies abroad will be allocated to those units that are in need of more trained personnel. These units will select personnel to be sent out for postgraduate studies according to state construction needs and their own requirements. Fourth, when a unit sends personnel to study abroad, it should take into consideration the use of their services when they return home and should provide conditions for using their services in a timely manner. Fifth, more efforts will be made to guide and control the dispatch of students studying abroad not at state expense (including those so-called "self-financed but government-dispatched students" in the past) so that their selection and dispatch will conform with state requirements, meet certain goals, and are carried out in a planned way. [passage omitted]

Question: What are the state's new rules for people studying abroad at their own expense?

Answer: Allowing people to study abroad at their own expense is another way to train competent personnel. The state will continue to support this. Those studying abroad at their own expense and government-sponsored students studying abroad will politically be given equal treatment and will receive the same solicitude and care.

Those who have a reliable guarantee of financial support by their relatives either at home or abroad and who have obtained admission to a school may apply to their respective units for permission to go abroad. In the case of graduating students of higher educational institutions and incumbent personnel, however, their applications must first be examined and approved by their respective institutions or units and then submitted to the competent authorities for final approval. In general, graduate-school students cannot apply for permission to go abroad to study at their own expense. [passage omitted]

Question: Recently it has been said that people who want to study abroad are required to pay a 20,000-yuan education and training fee to the state as a deposit before they are allowed to go abroad. Has the State Education Commission set any such stipulation?

Answer: There is no such stipulation. [passage omitted]

Question: What is the State Education Commission's attitude on "postdoctoral" studies carried out by those sent to study abroad?

Answer: First, we have to make clear two points: One, "postdoctoral" studies are aimed at achieving a higher academic degree. Two, we have never opposed any "postdoctoral" studies. The ultimate purpose of "postdoctoral" studies is to help develop domestic science and technology. From this viewpoint, we require our postgraduate students who have obtained doctoral degrees abroad to come back first and work for some time at "postdoctoral" personnel service stations or educational or scientific research units at home and then go abroad again for further studies according to need. This will enable them to better coordinate their studies abroad with the needs at home. [passage omitted]

Question: What are the new regulations governing visits to students studying abroad by their spouses?

Answer: Personnel studying abroad and visiting scholars sent by the government stay only for a relatively short period in a foreign country, usually 1 or 2 years. In view of the current actual situation in our country and domestic regulations on travel to visit relatives abroad, their spouses are generally not permitted to go abroad to visit them.

As for government-sponsored postgraduate students who will study for a relatively long period abroad (over 3 years, for example), we encourage them to come back for a vacation. The state has established a system allowing such students to return home for a vacation at government expense after staying 1 year and a half or 2 years abroad. If their spouses wish to go abroad to see them on a short visit and if there are guaranteed sources of funds to cover expenses abroad, the spouses may file an application for permission to travel abroad. The application may be approved provided that the spouses' work units agree to grant them leave and arrangements have been made so that work will not be affected by their absence. They will continue to receive wages while they are away if their absence is within the approved period of leave for visiting relatives abroad.

Another point we must bring up is that in the past some people have left their work posts and gone abroad for the so-called purpose of accompanying their spouses to study. This practice is unacceptable.

CIRCULAR ON HIRING COLLEGE GRADUATES FOR JOBS

OW081306 Beijing XINHUA Domestic Service in Chinese 1032 GMT 7 Jul 86

[Excerpts] Beijing, 7 Jul (XINHUA) -- The State Education Commission, the Ministry of Public Security and the Ministry of Commerce recently issued a joint circular, calling on the various localities and departments concerned to resolutely refrain from hiring graduates or postgraduate students of institutions of higher learning who already have been given job assignments by the state.

The circular said: In recent years, some localities and basic-level personnel departments have wilfully hired graduates and post graduate students of institutions of higher learning who already have been given job assignments according to the state plan. Some of these localities and departments say: No household registration is required, and no permit for the purchases of food grain is needed. Personnel references, job assignment certificates, or party or CYL affiliations are also not required. Some of them even offer better pay and living conditions to attract college graduates who already have been assigned by the state to work in other units.

Still more serious is the fact that these activities to illegally hire college graduates are being carried out in the name of local governments or enterprises. These activities seriously interfere with the practice of assigning jobs to college graduates according to the state plan; they must be resolutely stopped.

The circular pointed out: Those departments in charge of making job assignments to college graduates in various provinces, autonomous regions, and municipalities directly under the central authorities must issue "work assignment certificates for graduates from institutions of higher learning" when they then assign a college graduate a job according to the unified state plan. Those units that do the hiring must ensure that the college graduates they accept have such certificates in their possession. The public security organs and grain departments in the various localities will help the college graduates in applying for permits for the purchase of food grain on the basis of the job assignment certificate issued by the department in charge in the locality where the college is located, the certificate issued by the unit receiving the college graduate, and the permit for changing one's residence from one place to another. All certificates will be considered as void in accepting a college graduate or applying for a permit for the purchase of food grain on a household basis if the name of the designated unit on the job assignment certificate differs from that of the unit that has actually accepted the college graduate, or if the certificates are issued by units other than those authorized to do so.

ROLE OF COASTAL OPEN CITIES, AREAS STRESSED

HK090927 Beijing JINGJIXUE ZHOUBAO in Chinese 22 Jun 86 p 8

[Article by Lin Wenyi: "A Brief Talk on the Market and Commerce in the Coastal Open Cities and Areas"]

[Text] Following the setting up of the 4 special economic zones in our country, 14 port cities and some coastal areas have also been opened to the outside world. Why should these cities and areas be opened up? What are the differences between them and other cities and areas? What changes will take place in the market and commerce in these cities and areas? What should we do to expand the market and commerce in these cities and areas? These questions must be answered through practice. In running the special economic zones, we have achieved considerable experience through practice and made repeated explorations from the theory angle. The 14 port cities and some coastal areas were recently opened to the outside world, therefore, we have to accumulate more experience through serious explorations from these cities and areas.

1. Opening Port Cities and Coastal Areas to the Outside World Is a Measure To Further Implement the Opening Up Policy.

Opening port cities and coastal areas to the outside world is not an expedient measure but a measure to further implement the opening up policy. This means that to carry out the policy of opening to the outside world, the four special economic zones are not sufficient. To meet the needs of economic construction and development, ensure the impeded progress of reform of the economic structure, and particularly to increase exports, use foreign capital, and import advanced foreign technology and management knowledge that suit our country's actual conditions, it is necessary to open up coastal cities and areas which can establish extensive economic ties with other countries.

The four special economic zones are close to Hong Kong and Macao and adjacent to Southeast Asian countries, but they are located in part of Guangdong and Fujian provinces. Geographically, they cannot meet the needs of opening our country to the outside world after all. These open cities and areas, which range from Guangxi in the south to Liaoning in the north and extend all over the coastal provinces of our country, have close and extensive economic ties with the developing eastern and western parts of our country. They are well developed economic centres and have great capacity for export. They have wide external relations by virtue of their favorable harbor facilities. With these cities open, our country will be able to open up widely to the outside world.

"Opening up to the outside world and invigorating the domestic economy" is a long-term, basic national policy and major strategic principle formulated since the 3d plenum of the 11th CPC Central Committee for building socialism and the four modernizations. Viewed from Chinese history, we may see that opening up to the outside world is an important sign of power and prosperity for a dynasty of our country. For example, the Tang Dynasty was a very powerful feudal dynasty, just because it opened up widely to the outside world, and the Qing Dynasty was weak and corrupted only because it closed the country to international intercourse. In the present age, all countries in the world must have wider external relations because of close economic ties among them and the vigorous development of high technology and socialized production. Whether to open up to the outside world or not is a matter of great importance which is related to the rise or decline of our country and has a bearing on the effort to gradually enhance the level of our country's productive forces to the world advanced level. We have no alternative but to open up to the outside world. This is our basic national policy and we should not adopt a casual attitude toward it but should carry it out conscientiously and creatively. To achieve it, we must open up more cities and areas along our country's coast to the outside world.

2. The Difference and Links Between the Coastal Open Cities and Areas, and the Special Economic Zones in the Fields of Market and Commerce

The special economic zones are a common sight in international economic intercourse. In order to promote foreign trade and absorb foreign capital and modern technology, some countries or regions specially designate a part of their land with good transport services to create a favorable investment climate and provide preferential conditions for production, management and allocation of profits such as reduction of and exemption from customs duties and special measures to manage harbours and urban administrations. Such special economic zones differ in name such as free trade zones, free ports, export processing industrial zones, export processing industrial villages, or border free zones. However, in our country they are often referred to as the special economic zones.

In terms of opening up to the outside world, there is no difference between the open cities and areas, and the special economic zones. This means that on the premise of adopting some special policies and administrative measures, they all manage to establish wide external economic connections, promote foreign trade, and absorb foreign capital and modern technology. However, differences only arise in the flexibility of these special policies and administrative measures. The special economic zones afford every convenience to foreign investment capital.

While safeguarding the independence and sovereignty of a socialist country and sticking to the socialist legal system, they absorb and use foreign investment capital by means of their natural resources, labor force and preferential economic policies. Their economy is basically of the nature of state capitalism because they carry out socialist economic construction by using mainly foreign capital under state supervision and readjustment. However, in the open cities and areas, the socialist economy still predominates, but state capitalism takes up a greater proportion there than in the cities and areas which do not open up to the outside world. The open cities and areas do not rely on foreign investment capital in economic construction as much as the special economic zones do, but wide relations are established with the outside world, not only in the fields of industry and commerce in urban areas, but also in the agricultural production field in rural areas.

We have now opened 14 port cities such as Guangzhou and Shanghai, as well as Hainan Island, the Zhujiang Delta, the Changjiang Delta and a triangular area in the southern part of Fujian Province. Later, we may open up the Liaodong and Jiaodong Peninsulas to the outside world too. In terms of opening to the outside world, there is no difference between the open cities and areas, and the special economic zones. There is only a difference in the flexibility of policies. Since it is so, the open cities and areas can use the experience of the special economic zones for reference. We cannot say that there is nothing in their experience which is useful for the open cities and areas only because the special economic zones give first place to state capitalism while the open cities and areas give priority to the socialist economy. As a matter of fact, in strengthening foreign economic relations, the open cities and areas will certainly increase the factor of state capitalism in their economy, and they should use the experience of the special economic zones for reference in absorbing foreign capital and technology.

The special economic zones take up a large proportion of state capitalism in their economic structure, industry, and import and export trade. Therefore state capitalism manifests itself prominently in the market of the means of production and in commerce. This is the main point which distinguishes between special economic zones and open cities and areas. However, there is no big difference between them in their market and commerce in consumer goods. Therefore, the open cities and areas should not mechanically copy the methods adopted by the special economic zones in the market and commerce of the means of production. As a matter of fact, the open cities and areas depend mainly on planned circulation and supply by state commerce (the material supply system) in the means of production. Of course, they can still use the experience of the special economic zones for reference in the means of production relating to the import of foreign capital and technology. With regard to the market and commerce of consumer goods, they certainly can learn a lot from the special economic zones, but should not copy mechanically and apply indiscriminately, because the special economic zones carry out some special policies and managerial methods which are not applicable in the open cities and areas and the former open their door more widely than the latter. In terms of market, both take state commerce as the main force, encourage different economic sectors and forces to coexist and compete with each other, arrange commodity circulation in a coordinated way, lay stress on exports, give full play to market mechanism, and apply the system of floating prices for the daily necessities and the system of free prices for many kinds of consumer goods. However, the market in the special economic zones is much more competitive and is mainly export-oriented and the system of free prices is applied to the greater part of consumer goods.

Therefore, the experience of how to strengthen control of macroeconomic activities under such circumstances can be used for reference in the open cities and areas. With regard to commerce, both the special economic zones and the open cities and areas encourage competition, lay emphasis on exports, and give full play to market mechanism. Enterprises in the special economic zones are much more independent in commercial business, assume sole responsibility for their profits or losses more extensively and their methods of business are more flexible. Moreover, in the special economic zones. There are more associations and group companies which are established on the lateral economic basis; there are no bounds between domestic and foreign trade; many enterprises account their costs on the basis of foreign exchange; enterprise business is much more affected by world market prices; and good foreign experience in enterprise management is widely cited. All this is also useful as references for the open cities and areas in their commercial activities.

3. How Do the Open Cities and Areas Act on Other Areas of Our Country in the Field of Market and Commerce?

China has opened the special economic zones as well as the 14 port cities and some coastal areas to the outside world. The opening up policy is an established national policy of our country. Since it is so, we will certainly open up our whole country to the outside world. This should not be done overnight but should be done step by step. The special economic zones, the 14 open cities and some coastal open areas have constituted an open economic belt along the coast of our country. This open economic belt will certainly play an experimental, guiding and exemplary role for the central and western parts of our country, which will open to the outside world later. This means that the open economic belt can furnish useful experience to the central and western parts of our country in absorbing foreign capital, technology and advanced management method as well as in developing their markets and commerce.

The market in the open cities and areas works as a window, bridge and gangplank toward the outside world. It absorbs foreign capital, modern technology and advanced management methods and uses them to process raw materials from the interior into primary products for export, or it helps the interior to promote their products for export, or it helps the interior to promote their products for export. Practically it works as a link between the domestic and international markets and as a bridge between internal and external economic activities. Moreover, the market in the open cities in particular, plays a pivotal role between the domestic market of our country and world markets in different scopes and degrees. The level of the commodity economy in the coastal open areas, and in particular in the open cities such as Shanghai and Quangzhou, is higher than that of the interior as well as the central and western parts of our country. These open areas and cities play an important role in organizing and coordinating the unified socialist market of our country and in promoting foreign trade and establishing foreign relations so that China will be able to squeeze into world markets and build up a solid base in world economic activities. In order to build socialist modernization, we should not overemphasize one at the expense of the other between home and external resources, between domestic and world markets, and between our own and foreign experiences. To achieve it, we should give full play to the pivotal role of the open cities and areas. A high degree of commodity economy is a prerequisite for socialist modernization and socialized production. Therefore, we should have wide markets. We must first depend on our own unified market and then on the world market. [paragraph continues]

The two markets are closely connected. Without the domestic unified market we can hardly open up the world market and without the world market we can hardly consolidate the domestic unified market. However, in both consolidating the domestic unified market and opening up the world market, we should depend on the open cities and areas, and particularly the open cities which play an active role in enlivening and unifying the market in the interior as well as the central and western parts of our country. The market is the coastal open areas, and particularly in the open cities, should take the market in the interior and in the central and western parts of our country as its hinterland and backup force and help to build the market into a new, open one.

At the same time, the open cities and areas should also play an exemplary role for the interior and the central and western parts of our country in commercial activities such as doing business in a civilized and flexible way, modernizing commercial management, enhancing commercial service to a new level, improving service attitude, raising professional levels and training a large number of professional personnel. In short, we should build up new, open commerce as quickly as possible.

For this reason, the coastal open cities and areas should take a major step forward before others in reforming their market and commercial structure. They should formulate their own special policies in this aspect, build themselves into experimental bases for our economic restructuring, and work as a window and filter in boldly absorbing and using foreign advanced management experiences applicable for our country to develop socialized large-scale production. In short, the coastal open cities and areas should make their due contributions to our economic restructuring through the useful experiences they explore and gain in this respect.

DENG LIQUN INSPECTS ANHUI 5-21 JUNE

OW091101 Hefei ANHUI RIBAO in Chinese 22 Jun 86 p 1

[By reporter Li Chaosheng]

[Text] "Material and spiritual civilization should be promoted simultaneously. Both are indispensable, and neither should be overemphasized at the expense of the other." These remarks were made by Deng Liqun, member of the Secretariat of the CPC Central Committee, during an inspection tour of Anhui from 5 to 21 June.

Comrade Deng Liqun came here primarily to investigate factories, rural villages, schools, stores, neighborhoods, and other grassroots units to find out about the development of socialist spiritual civilization in our province. During his 17-day, 4,000-li tour, Deng Liqun inspected Hefei, Bengbu, Maanshan, and Wuhu Cities as well as Luan, Chuzhou, and Huizhou Prefectures. He was accompanied on separate occasions by Wang Yuzhao, deputy secretary of the Anhui Provincial CPC Committee and governor; Xu Leyi, deputy secretary; and Niu Xiaomei, member of the Standing Committee of the provincial party committee.

In his conversations with the relevant responsible comrades on the trip, Deng Liqun repeatedly used a line from a poem by Lin Zexu to encourage them. The line reads: "I will act in the interest of the country, even if it means death; and never will I act for personal benefit." [paragraph continues]

Comrade Deng Liqun explained: Building socialist spiritual civilization is an undertaking of vital and lasting importance benefitting the country and the people. It is also an arduous task requiring systematic efforts. Leaders at every level should have the country at heart and dedicate themselves to the cause of the party and the people; they should not think about personal interest, worry about personal gains and losses, or try to avoid danger and hardships and pursue comfort and fortune.

During his inspection, Deng Liqun explained over and over again the relationship between material and spiritual civilization. Citing numerous cases observed on his tour, he pointed out: Spiritual civilization advances are often successful in building material civilization. Material civilization is the foundation of spiritual civilization, which in turn promotes the development of material civilization. Socialist spiritual civilization dictates and guarantees the socialist orientation of our material construction. Therefore, material and spiritual civilization should be promoted simultaneously. Both are indispensable, and neither should be overemphasized at the expense of the other.

During his inspection of the building of spiritual civilization in cities, Deng Liqun set great store by the tremendous role of the masses in building spiritual civilization. He visited streets, stores and stands, and ordinary people's homes to examine the situation and listen to views and suggestions. When he saw that Bengbu City, once noted for its dirty streets, had become a city with clean streets, a beautiful environment, and civilized manners after 2 years of efforts, and that the residents were vigorously trying to beautify their streets and courtyards and establish harmonious, cooperative ties with their neighbors, he was pleased, saying: "Well, it shows that building spiritual civilization has taken root in the hearts of the people and accords with the people's wishes." He praised the city's leaders: "You have done a fine job. Keep up the good work!" In Wuhu City, Deng Liqun visited the scenic Jinghu Park. Members of the city party committee told him that former residents living in the park area had moved out in a very short period to show their support of the expansion of the park. Deng Liqun highly praised their action, saying: "Let us set up a table recording their lofty deeds. Let us set up monuments to people who make major contributions to the development of spiritual civilization!"

While inspecting factories and enterprises, Deng Liqun showed special interest in the work of party committees after the system of directors assuming full responsibility was introduced. Many factory party committee secretaries told him that after the system was introduced, factory party committees had more, not fewer, things to do, their tasks had become more defined, and their roles could be displayed more effectively. Deng Liqun was pleased with this change in the course of economic structural reform. He said: "the institution of the system of directors assuming full responsibility has restored the work originally belonging to the party committee." At the Maanshan Iron and Steel Corporation's machinery repair plant, he learned that the plant had performed exceedingly well in both ideological and political work and business management. He joyfully took up the brush and wrote: "Keep you honor and go for more." In Wuhu, Deng Liqun also held a meeting of party committee secretaries of seven factories in Wuhu and Maanshan Cities to discuss "exactly how to carry out the party committee's work after the institution of the director's responsibility system." [paragraph continues]

He seriously listened to the reports and views of the party secretaries and raised a number of issues for discussion. The forum was held in a lively atmosphere. He told the party secretaries: "The introduction of the director's responsibility system means, in short, that the director should establish his administrative authority and the party committee secretary should establish his ideological authority. The two are in unity with each other, not opposite to each other."

On his inspection tour of the countryside, Deng Liqun was immensely pleased to see the great changes due to the implementation of the responsibility system. After inspecting a number of villages in Chuxian Prefecture, he was so delighted that he picked up a writing brush and wrote down this inscription: "If you want to see a scene 1,000 or 10,000 li away, you must go up to the upper floor of the tower or still higher." He gave many concrete instructions on how to further strengthen the building of socialist spiritual civilization in those rural areas where people have already become better off. He told rural cadres and peasants: Now that reform has been launched in rural areas, peasants should try to become well-to-do by working hard while abiding by the law. At Houyang Village, Damiao Township, Fengyang County, Deng Liqun saw the newly built two-story house of Yang Jinli, the head of a specialized grain-growing household. He also made a special trip to see the poor thatched cottage which formerly housed four generations of this household. He then said in real earnest: "This is historical evidence. We should not pull down all these poor cottages. Each village should keep some of these poor cottages so that they may be used to educate the younger generation." At Daying village in Laian County, Deng Liqun, in high spirits, inspected the rural cultural facilities and attended a performance by an amateur theatrical troupe made up of peasants. He told the leaders accompanying him on the tour that every effort should be made to satisfy the peasants' spiritual and cultural needs and speed up the pace in building rural spiritual civilization. Deng Liqun also showed deep concern for building rural grass-roots party organizations. He pointed out: "In rural party organizations, the proportion of young party members is too low. Attention should be paid to cultivating more young party members so as to gradually improve the composition of these organizations in terms of the members' average age and education."

On his inspection tour of Anhui, Deng Liqun also visited some universities, middle and primary schools, and kindergartens, where he extended cordial regards to the faculty members, who were devoting themselves to the educational cause. At Hefei Associated University, he told 76-year-old Professor Yang Chengzong: "You still work so hard for the party's educational cause in spite of your advanced age. Your spirit is really touching." He wrote an inscription, reading "a new method for a new thing," for Hefei Associated University, which came into being in the course of restructuring the educational system. On his visit to the Chinese University of Science and Technology, he inquired with deep concern about the living conditions of young and middle-aged backbone teachers. Speaking to students of the university's juvenile class, he urged them to pay attention to their health. He also asked the university authorities to take good care of the students of this class. When visiting the Hefei Normal School for Kindergarten Education, Deng Liqun praised the future teachers, saying: "Your work has boundless prospects, and your responsibility is heavy." [paragraph continues]

At the Agricultural School of Fengyang County, Deng Liqun asked the prefectural and county leaders to be concerned about the teachers' well-being and told the principal of the school: "This is a significant cause. I hope you will take agricultural education as your lifetime career." In Shexian County, Deng Liqun visited the memorial hall for Tao Xingzhi, a well-known people's educator. He wrote down the following characters with vigorous calligraphic strokes. "Genuine knowledge gained through practice. Resolute action taken to put knowledge to use." He did this to show his respect for Mr Tao Xingzhi.

Deng Liqun also traveled to Huang Shan on his inspection tour. He rode a cable car up the mountains as one of the first passengers in a test run of the Huang Shan cable car service. Deng Liqun met with personnel of the Huang San TV transmission station at the Beihai Guest house. He extended regards to the comrades who stayed all year round on Huang Shan to transmit information about socialist spiritual civilization and inquired with deep concern about their work, daily life, and study. In conversations with responsible persons of the Huang Shan administrative bureau, Deng Liqun gave them many important suggestions on promoting spiritual civilization and building scenic tourist areas. In Tunci City, he visited an old folks' home to see the aged people there, inquiring about their living conditions and wishing them a happy life in their late years.

HU QILI JOINS VETERAN CADRES' 1 JUL GATHERING

OW050143 Beijing International Service in Mandarin 0900 GMT 2 Jul 86

[Text] The 65th founding anniversary of the CPC fell on 1 July. In Beijing, close to 20,000 veteran CPC cadres and their dependents attended an entertainment gathering last night in the Great Hall of the People to mark the occasion. Party and state leaders, including Hu Qili and Chen Pixian, also attended and watched the entertainment.

The entertainment began with the majestic songs of a veteran cadre choral group. The group, composed of veteran revolutionary comrades, presented songs of the Revolutionary War period. Then, many rich and colorful programs, including songs, dances, Beijing operas, and other entertainment were staged for the veteran cadres.

After China abolished the lifelong-tenure cadre system, a large number of veteran cadres have left their work posts and retired or have withdrawn to the second line. How to help these veteran comrades to put their remaining energy to use and live a happy life during their late years has become a matter of great concern for the CPC and the whole society.

LI PENG URGES GOOD EQUIPMENT-MANAGEMENT WORK

OW030113 Beijing XINHUA Domestic Service in Chinese 1337 GMT 2 Jul 86

[By RENMIN RIBAO reporter Dong Huanliang and XINHUA reporter Xu Yaozhong]

[Text] Beijing, 2 Jul (XINHUA) -- Speaking at today's national meeting to commend outstanding units in equipment management, Li Peng, vice premier of the State Council, stressed that it is a plant director's unshirkable responsibility to ensure the successful management and utilization of equipment.

The economic benefits of an enterprise should be judged not only by the output of its production and the profits it realizes, but also by how well it maintains its equipment, he said.

Hu Ziang, vice chairman of the CPPCC National Committee, also attended the meeting in Beijing and made a speech. Hu Zuewen, vice chairman of the NPC Standing Committee, sent a representative to read his written speech.

The fixed assets of our country's industrial and transport enterprises are currently valued at more than 700 billion yuan. Of this, equipment accounts for some 400 billion yuan. This is an important material and technological basis for our people to carry out the socialist modernization program. The successful management, utilization, and maintenance of all kinds of industrial equipment are of vital significance for improving the quality of equipment of enterprises and ensuring the sustained, steady, and well-proportioned development of various sectors of our national economy.

Li Peng pointed out in his speech: Some enterprises have the erroneous tendency of attaching importance to production while ignoring the management of equipment. This tendency must be corrected. The plant director's responsibilities and the work-target responsibility system of the plant director and workshop foreman should unequivocally include the task of properly maintaining the equipment as a major requirement of managerial work. At the end of the tenure of the plant director or workshop foreman one of the criteria for deciding whether they should be reappointed to their posts is the condition of the equipment. If an enterprise has a very high rate of productivity and earns very large profits but its equipment is in serious disrepair, will have poor overall operational results in terms of the benefits it produces, and as a result, the plant director should be considered negligent in his duties.

Li Peng continued: In recent years, we have manufactured or imported quantities of large automated equipment, both mechanical and electrical for continuous production processes. Departments in charge of various industries and all industrial enterprises should take various measures to train proficient equipment-maintenance teams. This is the only way to achieve success in managing and utilizing the new equipment. In addition, positive efforts should be made to modify the original equipment so that new technology may be adopted. At the same time, equipment that is old, antiquated or not energy efficient should no longer be used.

In addition to the above, Li Peng said: A system of comprehensive management of equipment centered on improving economic benefits and raising the overall utilization rate of equipment should be put into practice. The planned equipment inspection and maintenance system, which has been carried out by industrial enterprises since the 1950's, has played a certain role in ensuring industrial production. With the development of production technology, however, the original system, which requires the periodic inspection and maintenance of equipment on a preset timetable, should now be changed into an inspection and maintenance system based on the actual technical conditions of the equipment. That is, the rigid managerial method should be changed into a flexible one so as to constantly improve the condition and raise the utilization rate of enterprise equipment.

Li Peng expressed the hope that all localities, competent authorities, and equipment-management association would attach great importance to the management and maintain work on equipment, earnestly strengthen leadership in this regard, and assign full-time personnel to do the work as necessary.

At this commendation meeting, 100 units, including the Chengdu Measuring and Cutting Tools Plant in Sichuan, the Anshan Iron and Steel Company, and the Jilin Chemical Industry Company, were awarded the title of "National Outstanding Units in Equipment Management" by the State Economic Commission. Ninety-seven units were given the title of "National Advanced Units in Equipment Management."

The Second National Work Forum on Equipment Management and Maintenance and the second annual meeting of the China Equipment Management Association concluded at the same time.

LI PENG ADDRESSES VOCATIONAL EDUCATION FORUM

OW070213 Beijing XINHUA Domestic Service in Chinese 1052 GMT 6 Jul 86

[By Central People's Broadcasting Station reporter Li Renzhu and XINHUA reporter Yang Zhaobo]

[Text] Beijing, 6 Jul (XINHUA) -- The 5-day national forum on vocational and technical education successfully concluded today. Vice Premier Li Peng spoke at the forum.

The forum made arrangements for China's vocational and technical education in the coming years. Participants exchanged experiences and decided the tasks, guidelines, and policies.

What was special about this forum was that it was jointly convened by the State Education Commission, Planning Commission, Economic Commission, and the Ministry of Labor and Personnel. Vice Premier Li highly praised their practice, saying they had "taken a good lead." Delegates from various localities agreed that vocational and technical education is an undertaking that concerns the whole society and that the educational departments and the planning, economic, and labor and personnel departments should strengthen their cooperation, closely coordinate their work, support each other, and take concerted action to promote the development of vocational and technical education.

Comrade Li Peng fully affirmed the necessity of the forum. He said: Since the central authorities made public the decision on educational reform more than a year ago, the understanding of education in the whole society and party, and especially in the leadership at all levels, has notably improved. People have gradually come to understand that qualified personnel hold the key to the success of the four modernizations and that education provides the foundation for solving the shortage of qualified personnel. Education can be classified into four categories: basic, vocational and technical, higher, and adult. Each of these four categories is indispensable. While there is some improvement in the people's understanding of vocational and technical education, looking down on vocational and technical education is still common in society. This is also true among many people in education circles. Therefore, it is necessary to further enhance our understanding of vocational and technical education before we can develop it.

He said: Our workers' standards are the key to improving our product quality and economic results. Given the same equipment and administration, the standard of the workers will decide the quality of the products. Our rural economy requires more input to maintain sustained growth, and technology is a major input required. This requires us to promote education as a means of raising the cultural and scientific and technological standards of our rural workers.

After affirming the achievements in our vocational and technical education, Li Peng said: The development of vocational and technical education in recent years was uneven for the country as a whole. While a small number of areas developed rapidly, the rest of the country lagged behind. The development in most of the rural regions in particular, was extremely slow. I believe that we need to stress development in the whole country, especially in most of the rural areas, where vocational and technical education is rather weak. Current vocational and technical education has not been able to train enough personnel to meet the needs of society.

Li Peng said: The policy of requiring pre-employment training was specifically put forward in the central decision on educational reform. It is an important measure for reforming both the educational structure and the labor and personnel system. Its very goal is to raise the standards of workers. Labor, education, and all other departments should firmly implement this policy. Graduates of vocational and technical schools should have priority in employment.

Li Peng also stressed: It is necessary to implement the policy of developing vocational and technical education at various levels, in various forms, and by everyone. In other words, education departments, factories and enterprises, and labor departments should all promote vocational and technical education and bring their initiatives into play. The question of teachers should also be resolved through multichannels. The State Education Commission and education departments in various provinces, municipalities, and autonomous regions should build a contingent of teachers for vocational and technical education in 3 or 5 years. It is necessary to create a new situation in vocational and technical education in order to contribute to the socialist modernization.

YU QIULI SPEAKS ON PLA PARTY RECTIFICATION

OW070344 Beijing XINHUA Domestic Service in Chinese 0811 GMT 6 Jul 86

[Text] Beijing, 6 Jul (XINHUA) -- On 3 July Yu Qiuli, member of the Political Bureau of the CPC Central Committee and director of the General Political Department, addressed a meeting held by the Central Military Commission on the PLA's party rectification and efforts to improve the party style. He said: When carrying out education in the current situation on the party's line, principles, and policies the PLA should pay attention to enhancing the servicemen's understanding of the reforms. Servicemen should correctly understand and support the ongoing reforms in various fields while further carrying out the reform of the Army itself.

Yu Qiuli said: Since the 3d Plenary Session of the 11th CPC Central Committee our country has carried out a series of major reforms in both rural and urban areas and has achieved remarkable success. The people throughout the country warmly support the reforms. The vast number of commanders and fighters also resolutely support the reforms.

Under the situation of comprehensive reforms the PLA should take further steps to educate the servicemen in the current situation. Persistence in the reforms is a firm and unshakable policy of the party Central Committee. We may say that without the reforms today's excellent situation would be nonexistent. In order to enhance the excellent situation we must continue to thoroughly carry out the reforms. Since the reform is a deep social change and something new, a process of gradual probing and experimentation is necessary. Problems in the process are unavoidable due to lack of experience at the beginning. It is wrong for some people to blame the reforms for problems concerning the party style and the standards of social conduct. It is also wrong for someone to view the reforms from his personal standpoint in consideration of his own benefit. We should educate the cadres and fighters to know the situation of reforms clearly, affirm their confidence in the reforms, and further unify their thinking with the policy decision of the party Central Committee.

He pointed out: In last few years our Army has inaugurated important reforms in military affairs, political work, logistics, scientific research for national defense, and military schools. The reforms have yielded, and will continue to yield, important effects. However, many other things in our Army remain to be reformed. In particular, many important issues have yet to be probed since we adapted our guiding principle for Army building to peacetime needs. We may say that our Army will be unable to continue its development and advance if it does not carry out reforms. We should also know that the Army reform is a component part of the reform program of our country as a whole. Our country's reforms in various fields also involve our Army in many respects, and require our Army to carry out corresponding reforms. For this reason, leading cadres at all levels should further emancipate their minds and continue to promote reforms in the Army.

Yu Qiuli said: The reforms carried out by the Army are designed to further modernize the Army and constantly enhance the troops' fighting power. Therefore, the reforms must be carried out in consideration of the Army's realities. Our Army is an armed group performing revolutionary political tasks and a combatant organization with a high degree of centralism and unity. We must consider these characteristics of our Army when we do things. We may learn from and draw lessons from any experiences of local people in reform, but we must not copy them mechanically. We should note the similarities and differences between the Army and the civilian community, as well as the commonality and differences between laws of Army building and economic construction. Some reforms may be undertaken by both the civilian community and the Army, while other reforms are exclusively for the civilian community to undertake but not for the Army. When we use foreign experience we should pay particular attention to considering the conditions of our country and our Army and to always maintaining our Army's characteristics. In addition, we must stress real effects of reforms and must not do things only in name but without substance. In the course of the reform we should respect the masses' creativity and protect their initiative. At the same time we should organize and guide them well, so that the reforms will proceed in a sound way.

RECTIFICATION STRENGTHENS PARTY IN PLA UNITS

OWO70406 Beijing XINHUA Domestic Service in Chinese 0136 GMT 6 Jul 86

[Text] Beijing, 6 Jul (XINHUA) -- Party rectification is going on intensely in PLA units at and below the regimental level. So far, a considerable number of brigades and regiments have already completed party rectification, which is also being conducted in battalions and companies. Party rectification in grass-roots PLA units has strengthened the party organizationally and improved ideology, style, and discipline among a vast number of party members, thereby giving a strong impetus to work in all fields.

Grass-roots PLA units have followed a clear guiding ideology in carrying out party rectification. The Central Military Commission has set two demands for party rectification -- to rectify and overcome negative aspects and to strengthen the party organizationally by building party branches into fighting forces. It has specifically called for rectification in 12 negative aspects and outlined solutions to them. Earnestly implementing the Central Military Commission's guidelines, all PLA units have strived to eliminate the negative aspects and strengthen the party organizationally in various phases of the party rectification. Party committees of PLA units at various levels have attached great importance to the party rectification by organizing forces and giving specific guidance in solving problems. In solving the problem concerning party members' ideology, many units concentrated efforts on explaining things and enhancing party spirit and consciousness. They have also conducted mass discussion about a few typical erroneous views and confused ideas in order to help party members distinguish between rights and wrongs. According to comrades who have participated in the party rectification, in the study session they have undergone the most systematic and thorough education in basic knowledge on the party and in party spirit since they were admitted to the party. The study session has enabled them to understand the duty of a communist and the qualifications of a good communist.

Due to the penetrating and solid work in the party rectification, grass-roots PLA units have scored remarkable achievements in the following aspects:

(1) Party spirit has been strengthened and party members' political consciousness raised. Before the party rectification, some confused ideas and erroneous views had corroded and adversely affected party members' thinking. Thanks to study and discussion sessions in the course of party rectification, all units have straightened out erroneous views among party members and changed their mental outlook. By attending a discussion on "how should a communist view gains and losses," party members of a naval unit, who used to think that by staying in the PLA they were at a disadvantage, now understand how to deal with gains and losses. Quite a few comrades said that the motherland's security and the people's happiness are the greatest gains of a communist party member, and that it is a glorious duty to sacrifice personal interests for such "gains." Now they feel at ease serving in the PLA and are eager to dedicate themselves to the defense undertaking.

(2) Problems existing in some party committees and among party member-cadres have been uncovered and resolved. Earnestly implementing the Central Military Commission's guidelines, many brigade and regiment party committees have boldly exposed contradictions, eliminated undesirable phenomena, and focused attention on solving problems involving party member-cadres, leading cadres in particular.

The party committee of a regiment under the Jinan Military Region that was previously confronted with problems concerning unity, discipline, and style took a positive approach by mobilizing commanders and fighters alike to expose contradictions and ferret out undesirable phenomena, and solved problems in a relatively satisfactory way through education, examination, rectification, or punishment as deemed necessary.

(3) Party style has been improved. Tackling the problem of improving party style in particular, PLA units at and below the regiment level have examined and rectified problems of abusing one's position and powers and seeking personnel interests at public expense, criticized the vulgar practice of seeking special connections, firmly stopped the trend of giving extravagant dinners, and corrected other fraudulent practices, thereby solving many long-standing problems in the units. As a result of party rectification, many party member-cadres now perform their duties according to the party Constitution and the "guiding principles," are honest in words and deeds, and refrain from seeking special connections. Through party rectification, leadership style has been improved and the idea of serving the grass roots has been fostered in many PLA units.

(4) Grass-roots party organizations have been strengthened, as seen from the changes that party branches have become more effective fighting forces, party members have brought their vanguard exemplary role further into play, a healthy atmosphere has prevailed in the Army, and a trend of steady progress has emerged in grass-roots construction and work in other fields. Relations between the party and the masses and between officers and soldiers have been improved. Many party members maintain close contacts with the masses and take the initiative to carry out the mass work. Party branches have achieved remarkable results in giving expression to democracy, exercising collective leadership, and conducting regular activities of the organization, criticism and self-criticism, and ideological and political work.

YANG DEZHI STRESSES QUALITY IN NEW PLA RECRUITS

OW080149 Beijing XINHUA Domestic Service in Chinese 1208 GMT 7 Jul 86

[Text] Beijing, 7 Jul (XINHUA) -- The PLA must adapt itself to the new situation by doing a good job in work with troops and ensuring the quality of soldiers in order to upgrade the Army to a new level, said Yang Dezhi, member of the Political Bureau of the CPC Central Committee and chief of general staff of the PLA, at a all-Army troops work conference today.

Yang Dezhi pointed out that, to do a good job in work with troops and ensure the quality of soldiers is of great importance in building up the troops' combat capability and accelerating their modernization. "The foundation of an army lies in its soldiers." With the strategic change in the guiding ideology for our Army-building during the new period, the number of troops has decreased in the course of the reduction-in-force reorganization, which has set a higher demand on the quality of soldiers. Training crack soldiers and good generals is the way to command troops and win victories at all times and in all countries. Upgrading the quality of soldiers is not only necessary for the PLA's modernization, but also beneficial to the training of dual-purpose personnel to serve national economic construction. Therefore, it is a basic Army construction project, as well as its important task, to train talented personnel for the country.

Yang Dezhi said: In order to do a good job in conscription work and upgrade the quality of soldiers, people's governments at all levels, all military districts and subdistricts, and county and city People's Armed Forces departments have carried out reform, focusing mainly on local conscription, in recent years. The reform has brought in better qualified new soldiers and ensured the quality of soldiers in general. He urged PLA units to fully cooperate with local governments in doing things strictly according to the Military Service Law and other relevant policies, enhance the sense of political responsibility, and ensure a good job in conscription, preferential treatment to compulsory servicemen, and placement of retired soldiers. It is necessary to vigorously carry out ideological and political work, and publicize the Military Service Law, the position and role of the Army, and good people and good deeds in conscription and demobilization work, in order to deepen the sense of responsibility and honor among the broad masses of young people to join the Army and dedicate themselves to the undertaking of national defense.

In his speech, deputy director of the PLA General Political Department Zhou Wenyuan said that it is necessary to pay close attention to conscription work, which is an important factor upgrading the quality of soldiers. He urged military service organs at all levels to enlist qualified soldiers with a profound sense of responsibility. After new soldiers report to the Army, the PLA units must conduct ideological foundation to upgrade their quality.

The all-Army troop work conference opened in Beijing on 2 July. The conference mainly discussed questions on how to adapt Army-building to the new situation, enlist additional soldiers this year, and upgrade their quality, and drew up plans for work with troops.

MINISTRY CIRCULAR URGES SUPPORT FOR ARMY

OW080357 Beijing XINHUA Domestic Service in Chinese 0748 GMT 7 Jul 86

[Text] Beijing, 7 Jul (XINHUA) -- The Ministry of Civil Affairs recently issued a circular on launching activities to support the Army and give preferential treatment to families of revolutionary armymen and martyrs around the 1 August Army Founding Day in 1986. The circular said: In order to strengthen the unity between the Army and the government and between armymen and civilians, all localities should set up efforts to institutionalize the system of giving preferential treatment to, and settling families of, revolutionary armymen and martyrs, and support the Army's reform and construction, while striving to do more solid work for the Army and for families of revolutionary armymen and martyrs.

The circular said: Every locality should base on its tradition, as well as on the new situation, the further implementation of the "Circular on Respecting and Cherishing the Army and Actively Supporting Its Reform and Construction," issued by the CPC Central Committee and the State Council, vigorously publicizing the important role and position of the Army in the modernization drive, and striving to respond to the central authorities' call for fostering an atmosphere of respecting and cherishing the Army in our community. It is necessary to mobilize and rely on all social forces in launching activities through various channels and at different levels, and setting up grass-roots networks for such activities in order to implement them on a massive scale in accordance with the guidelines for social security in the Seventh 5-Year Plan, and with the guiding principles for the work of giving preferential treatment to, and settling families of, revolutionary armymen and martyrs.

The circular called on all localities to conduct systematic inspection of the work of giving preferential treatment to, and settling families of, revolutionary army men and martyrs, study and solve problems cropping up in the work in rural and urban areas, actively help a few demobilized servicemen living in rural areas solve practical problems, discover and use dual-purpose personnel among retired army men, give proper attention to wounded and disabled soldiers, and do a good job in placing retired Army cadres. It is also necessary to commend newly-emerged advanced units and individuals in supporting the Army and giving preferential treatment to families of revolutionary army men and martyrs, publicizing their advanced deeds, encouraging them to explore methods of reform, and teaching them to set good examples for the masses, promoting the building of socialist spiritual civilization.

MILITIA ORGANS PLACED UNDER LOCAL JURISDICTION

OW080445 Beijing XINHUA Domestic Service in Chinese 0044 GMT 6 Jul 86

[By reporter Gai Yumin]

[Text] Beijing, 6 Jul (XINHUA) -- The task of transferring county (city) People's Armed Forces departments to the jurisdiction of local governments has been successfully completed throughout the country on schedule, and China's militia work has entered a new stage of development.

After the CPC Central Committee, the State Council, and the Central Military Commission issued the circular on transferring county (city) People's Armed Forces departments to the jurisdiction of local governments last March, all provincial, autonomous regional, and municipal governments paid close attention to the transfer work and regarded it as an important task in supporting the Army's structural reform and reduction-in-force reorganization. They took the initiative in cooperating with the Army to help solve specific problems confronting it, thereby creating favorable conditions for smoothly transferring People's Armed Forces departments to the jurisdiction of local governments. In order to transfer to the local government a People's Armed Forces Department with sound ideology and style and well versed in administrative work, all military regions and provincial military districts readjusted and replenished the leading bodies and cadres of People's Armed Forces departments. At the same time, they did a tremendous job in preparing for the transfer by making an inventory of weapons, equipment, and other materials, checking financial accounts, and repairing motor vehicles. Close cooperation between the Army and local governments in study and drawing up plans for the transfer and experimenting at selected points ensured smooth transfer of the militia organizations under the jurisdiction of local governments.

According to regulations, Xinjiang Uygur Autonomous Region will complete the transfer before the end of this year.

Since being transferred to the jurisdiction of local governments, county (city) People's Armed Forces departments in China have become the Military Affairs departments of their local party committees and the military service organs of the local people's government at the same level have assumed the dual leadership of local government and PLA units. In order to ensure the continuity of militia work after completion of the transfer, party and government leaders in all localities should take measures to strengthen leadership and cooperate with the People's Armed Forces Department in studying and drawing up plans for intensifying militia building and achieving a breakthrough in militia and reserve service work.

In light of the new situation arising from the transfer of People's Armed Forces departments to the jurisdiction of local governments, Military Affairs departments at all levels should sponsor training classes for militia cadres, and help them adapt themselves to the new situation, follow a correct guiding ideology in the administrative work, and improve their work performance. Militia cadres should make determined efforts to inherit and carry forward the glorious tradition of the People's Army, actively lead militiamen in the building of socialist material and spiritual civilization, and open up a new situation in militia work.

PLA DEVELOPS MODERN CARTOGRAPHIC TECHNOLOGY

HK100205 Hong Kong ZHONGGUO XINWEN SHE in Chinese 0645 GMT 4 Jul 86

[Text] JIEFANGJUN BAO today reported that the cartographical work of the Chinese Army is developing from a single-form mode to a comprehensive mode designed for combined army units, and the traditional surveying and mapping technology is being superseded by modern cartographical technology.

The Chinese Army is now able to precisely determine the exact land coordinates of missile and satellite launching sites, the orbits for satellites, and the splashdown points of missiles on the sea surface. The new comprehensive technology for processing diagrams, graphs, and pictures on the basis of microelectronics and the numerical control system has been widely used for automated command and automated mapping in military actions. The Army groups have used computers to manage maps, analyze topography, and conduct tactical mapping operations. This effectively helps Army commanders analyze topography rapidly and correctly, work out operation plans, and organize combined military operations.

FANG YI OPENS CALLIGRAPHY, PAINTING EXHIBITION

OW022336 Beijing XINHUA Domestic Service in Chinese 0805 GMT 1 Jul 86

[Text] Beijing, 1 Jul (XINHUA) -- A calligraphy and painting exhibition sponsored by organs directly under the CPC Central Committee opened this morning at the Imperial Historical Library in Beijing to mark the 65th anniversary of the founding of the CPC. Fang Yi, member of the CPC Central Committee Political Bureau, cut the ribbon at the ceremony opening the exhibition. Some 280 calligraphic works, traditional Chinese paintings, and oil paintings are displayed at the exhibition.

SHANGHAI MAYOR ON ROLE OF GARRISON DISTRICT

OW060746 Shanghai City Service in Mandarin 0000 GMT 3 Jul 86

[Text] Reorganization of People's Armed Forces departments into local governments has been successfully completed in Shanghai's districts and suburban counties. The Shanghai Municipal CPC Committee, the municipal government, and the Shanghai Garrison District jointly held a summing-up meeting on 2 July. Jiang Zemin, deputy secretary of the municipal party committee and mayor of Shanghai, addressed the meeting.

He said: According to relevant provisions issued by the party Central Committee, the garrison district is a military work department of the municipal party committee. Generally speaking, it is through the garrison district that the municipal party committee exercises its leadership over the military work of the municipality. In military work, all district and county party committees and governments should respect, obey, and accept the leadership of the garrison district, and do the work of the People's Armed Forces department well in accordance with relevant plans of the garrison district.

Ba Zhongtan, commander of the Shanghai Garrison District, made a summing-up report at the meeting. Present at the meeting were Huang Ju, deputy secretary of the municipal party committee; Zhang Dinghong, member of the Standing Committee of the municipal party committee; and Qian Xuezhong, secretary general of the municipal government.

SHANGHAI EXPERIMENTS WITH LABOR CONTRACT SYSTEM

OW080554 Beijing XINHUA in English 0543 GMT 8 Jul 86

[Text] Shanghai, July 8 (XINHUA) -- Having worked two years for the Kaiping Loading Company at Shanghai harbor, the 64 loaders are thinking about their future.

They are part of the 4,500 workers employed by Shanghai harbor in line with the labor contract system which was first tried in 1981, said an official of the company. This experimental system is aimed at breaking the former "iron-rice bowl" system, under which workers were paid the same, no matter how well or badly they worked. Out of more than three million workers employed by the state-owned enterprises in Shanghai, some 150,000 are hired on contracts of varying lengths, according to a municipal official. The labor contract system enables enterprises to employ people on a selective basis, and workers can also choose their careers to bring their talents into fuller play.

"I am enjoying good health, and am competent at loading. I am paid a monthly wage of 200 yuan," said Yuan Lijun who was a peasant two years ago. He and many of his colleagues have decided to renew their contracts with the Kaiping Loading Company.

"The experimental system helps my enterprise improve productivity," said an official of the first department store of Shanghai which was one of the pioneers of the contract system in the city. China's biggest department store has total sales of 480 million yuan annually, and it has hired 200 contract workers, one-tenth of the store's total.

All new employees of state-owned businesses will be hired on contracts of varying lengths, according to a local regulation issued in 1984 by the Shanghai municipal authorities, said a local labor official. The new system would create groups of people waiting for new jobs, which would be a problem, the official said. But this could be solved by the social insurance system.

Contract workers enjoy the same labor rights and treatment as regular workers, and pay into state-run health-care and pension schemes.

Meanwhile, the contract workers have to pay social insurance premiums which will operate as a sort of unemployment insurance.

ZHEJIANG PARTY RECTIFICATION TRAINING CLASS ENDS

OW040404 Hangzhou ZHEJIANG RIBAO in Chinese 25 Jun 86 p 4

[Excerpts] A training class on rural party rectification work for cadres from provincial organs has concluded. Through 10 days of study and training in the class, the more than 500 cadres, who are all party members, have become more clearly aware of the vital significance of party rectification in rural areas. They have deepened their understanding of the need for cadres from leading organs to go to the countryside as a way to change the cadres' work style and forge ties between those at the higher and lower level. With this correct thinking in mind and having grasped the policy, they have been fully prepared to do a good job of helping and guiding the party rectification work in rural areas. [passage omitted]

Some 40,000 cadres will go to the rural areas this time. They are from five different levels and will participate in the work of rural party rectification. Among them will be more than 500 cadres with party membership from the various provincial organs. They will be sent to the rural areas by the provincial CPC Committee. Since these cadres have experienced the first-stage party rectification, they should set a good example for the cadres at the grass-roots level. In the training class all study groups formed by these cadres expressed the determination to make friends with grass-roots cadres and masses when they arrive in the rural areas. They pledged that they would act as good propagandists to give publicity to the party's policies and principles and as good guards in ensuring the rectification of party style. In addition, they said that they would do their best to serve as advisers in promoting rural reform and developing the commodity economy and, where conditions permit, as "matchmakers" to help establish lateral economic ties. As a comrade who has been appointed leader of a liaison group puts it will, the cadre sent by the provincial authorities to rural areas should behave as good models instead of showing arrogance and putting on airs. They should place strict demands on themselves and set an example with their own conduct at all times and under any circumstances. They should have correct thing, a conscientious work style, and a simple and plain way of life. In no way should they cause any inconvenience to the local people. What they should do is to make a success of rural party rectification under the leadership of the local party committees.

GUANGDONG CONFERENCE PROMOTES REGIONAL, FOREIGN TRADE

OW051250 Beijing XINHUA in English 1213 GMT 5 Jul 86

[Text] Guangzhou, July 5 (XINHUA) -- An eight-day economic and trade conference focussing on mountainous counties in Guangdong Province has promoted lateral economic exchanges between the coastal, plain and economically developed areas, and the underdeveloped mountainous areas, according to a local official here today.

He said the conference aimed at promoting further understanding of the present economic situation and advantages of the mountainous areas.

The conference, the first of its kind held here, closed this week at the Guangzhou International Exhibition Hall. On display were products of the forestry, minerals, machine-building, textiles, light industry, foodstuffs, electronics, animal husbandry and arts and crafts industries from 39 out of 47 mountainous counties in Guangdong.

The conference was attended by 30,000 people from over 60 cities and counties in Guangdong's coastal, plain and developed areas. Also represented were enterprises, research institutes, colleges and universities, and economic, trade and commercial departments of ten other provinces and municipalities, as well as foreign and Hong Kong businessmen.

Some 465 letters of intent and 53 contracts for economic and technological cooperation were signed during the first six days of the conference, with a total investment of 220 million yuan.

Guangdong's 47 mountainous counties, covering 54.4 percent of the province's total area, have rich natural resources, but they don't have enough funds and technology to exploit them.

The government is now encouraging economic cooperation between more developed areas and underdeveloped regions. Premier Zhao Ziyang said earlier this year at the National People's Congress that "it is essential to promote mutual economic cooperation and association" between poorer areas and the economically developed areas so that the former will be able to rid themselves of their economic and cultural backwardness as soon as possible by mainly relying on their own resources.

GUANGDONG CONFERENCE ON RURAL PARTY RECTIFICATION

HK080225 Guangzhou Guangdong Provincial Service in Mandarin 0900 GMT 7 Jul 86

[Text] This morning, the party rectification guidance group of the provincial CPC Committee held a conference on rural party rectification in our province to convey and implement the spirit of the forum of six coastal provinces and cities on party rectification work which was held by the Central Commission for Guiding Party Rectification in Nanjing, to sum up experiences of the rural district level in party rectification, and to make further arrangements for rural party rectification in our province. Provincial CPC Committee Deputy Secretary Wang Ning Presided over the conference.

Provincial CPC Committee Deputy Secretary Guo Rongchang spoke at the conference. He made specific arrangements for party rectification at the township level. He said: In party rectification at the township level, it is necessary to solve four problems:

1. It is essential to solve the problem of how to suit the situation in rural reform and how to correctly understand and implement all rural principles and policies of the party.
2. It is necessary to solve the problem of strengthening party spirit and the concept of party discipline and of wholeheartedly serving the people.
3. It is imperative to solve the problem that leaders of the party do not take care of the work of the party.
4. It is essential to solve the problem of being shackled by the ideas of the small-scale peasant economy among party members. We must teach the party members to establish ambition and to lead the masses to speed up the development of the building of the two civilizations in the rural areas.

GUANGXI PEOPLE'S ARMED FORCES DEPARTMENT REORGANIZED

HK271353 Nanning Guangxi Regional Service in Mandarin 1000 GMT 26 Jun 86

[Text] The work of placing the country, city, and district People's Armed Forces departments of our region under local authorities began in the middle of March this year and was entirely completed on 25 June. The handover of the 70 county, 5 city, and 6 urban district People's Armed Forces departments to be placed under local authorities and of the 16 newly established urban district People's Armed Forces departments were done respectively by the military subdistricts and all county, city, and district people's governments. The cadres of the People's Armed Forces departments followed the allocation by the organizations, changed their active service to reserve service, and continued to embark on the People's Armed Forces work.

To welcome the handover work, in conjunction with party rectification, People's Armed Forces departments at all levels strengthened ideological and political work, conducted education in obeying the overall situation and in fervently cherishing Guangxi, mountainous areas, and People's Armed Forces work for their cadres, and unified the cadres' ideology and understanding on the basis of the policy decision of the CPC Central Committee and the Central Military Commission so that the cadres conscientiously stressed party spirit, the overall situation, and discipline and obeyed the party's arrangements in everything. Through education, the work of readjusting the cadres was speeded up.

The work of placing the country, city, and district People's Armed Forces departments under local authorities was pressing and arduous and involved many departments. It was of a policy nature. In view of this, the region and all prefectures and cities promptly organized handover leadership groups with the participation of leaders of the party, government, Army, and departments concerned and set up offices to strengthen leadership.

With the vigorous support of all departments concerned, the practical problems of the handover work were solved relatively well. People's governments at all levels also appropriated funds to support the capital construction of People's Armed Forces departments. All this educated and encouraged the People's Armed Forces cadres. They declared that they would turn the deep love of the CPC Central Committee and CPC committees and governments at all levels to practical actions and work hard to create a new situation in the People's Armed Forces work.

CHEN HUIGUANG AT GUANGXI FORUM ON COMPULSORY EDUCATION

HK040226 Nanning Guangxi Regional Service in Mandarin 1000 GMT 2 Jul 86

[Excerpts] The recent regional forum on enforcement of the compulsory education law and conference on educational work seriously studied and arranged for the work of enforcing the compulsory education law, straightening out the ideology of doing educational work, strengthening teachers' training, and improving the quality of education in our region.

During the meetings, leading comrades of the regional party and government, including Chen Huiguang, Gan Ku, Hou Depeng, Shi Zhaotang, and Wu Keqing, spoke about the relevant issues of enforcing the compulsory education law and so on in our region.

The meetings put forward: It is necessary to organize the cadres and the masses to seriously study the compulsory education law so as to strengthen their sense of responsibility and sense of urgency. In accordance with the different situation in economic and cultural development in all places of our region, the region has decided to organize relevant personnel to investigate the situation in enforcing the compulsory education law in three different kinds of areas of our region. On the basis of the results of investigation, the regional People's Congress Standing committee will formulate as soon as possible the Guangxi Zhuang Autonomous Regional regulations governing enforcement of the compulsory education law. The regional education department will also formulate detailed rules and regulations on enforcement. All places must seriously conduct investigation and study and explore the program for enforcement. [passage omitted]

The meetings also studied the aim, principled, method, and steps of building the ranks of middle and primary school teachers of our region. During the Seventh 5-Year Plan period, it is essential to train and readjust the existing teachers so that over 90 percent of the unqualified teachers will be competent or basically competent at the teaching job. It is imperative to strengthen the building of teachers' training schools at all levels, to establish a network of training middle and primary school teachers, to put it on a sound basis, and to make full use of television education to train teachers.

The meetings also demanded: Schools at all levels and of all kinds must straighten out the guiding ideology of doing educational work and establish the idea that education must serve socialist construction. It is necessary to strengthen ideological and political work in the schools and to attach importance to the development of vocational education.

SECRETARY ATTENDS GUANGXI PROPAGANDA DIRECTORS FORUM

HK020511 Nanning Guangxi Regional Service in Mandarin 1000 GMT 30 Jun 86

[Excerpts] Regional CPC Committee Secretary Chen Huiguang and regional propaganda department director Jou Depeng delivered speeches at the regional forum of propaganda department directors which concluded yesterday.

Since the 3d plenum of the 11th CPC Central Committee, under the leadership of the regional CPC Committee, the comrades of propaganda departments at all levels of our region have done a lot of work and have gradually eliminated and abandoned the past leftist method of going in for political campaigns, criticism, and struggle.

They have strived to use the method of conducting discussion on an equal basis and to take the form of persuasion and education to influence and masses. This has made propaganda work lively and convincing and appealing to a certain extent. [passage omitted]

In a word, the achievements in our region's propaganda work over the past few years are marked. However, our propaganda work has still not been done sufficiently. One of the most salient problems in our propaganda work is that our propaganda work has not suited the practice of current reform and economic construction and not been done sufficiently to serve reform and the building of two civilizations.

In his speech, Comrade Chen Huiguang pointed out: Whether our propaganda work can suit the practice of reform and economic construction not only in a crucial problem of whether we can do propaganda work well in the new period, but also will directly affect the overall situation of reform and construction.

Regarding the problem of how our propaganda work must be linked with reality. We must resolve the ideological problems of the cadres and the masses in the course of reform and create a fine environment for reform. We must help the cadres and the masses overcome the idea of the small-scale peasant economy and establish the new concept of the socialist commodity economy. The ideological and cultural fronts must create a well-off and harmonious environment. [passage omitted]

In his speech, Comrade Chen Huiguang demanded: CPC committees at all levels must really strengthen leadership over propaganda work and give full play to the role of the propaganda departments so that propaganda work can still better meet the needs of reform and economic construction.

In his speech, Comrade Hou Depeng stressed the problems of creating a well-off and harmonious environment. He said: In all-round reform of the economic structure, a well-off environment is needed. In reform of the political structure, likewise, a well-off and harmonious environment is needed. When we persist in reform of the cultural structure, we must also create a well-off and harmonious environment together.

Regarding how we can create such an environment, he said: We must maintain the continuity and stability of the party's policies. We must take a clear-cut stand to support and protect reform. We must pursue a high degree of democracy. Leaders on the ideological and cultural fronts must act in accordance with the laws of ideology and culture.

With a view to whipping up public opinion on creating a well-off and harmonious environment, Comrade Hou Depeng demanded: In its work in the second half of this year, the propaganda front must closely link all-round reform with straightening out party style and doing well in conducting education in the situation, policies, ideals, and discipline:

1. Ideological and political work must still better serve all-round reform and economic construction. [passage omitted]

2. We must make overall plans, take all factors into consideration, conduct education in all ideological theories in a coordinated way. [passage omitted]

3. It is necessary to extensively and penetratingly launch the emulation drive of three goods and one learn [emulation drive to build good environment, to establish good order, and to provide service of good quality and to learn from Lei Feng and the progressives, which was launched in 14 cities and towns in Guangxi region, as broadcast on 28 February] as well as the drive of building civilized villages and towns.

4. It is imperative to work hard to improve the quality of the propaganda cadres. [passage omitted]

The propaganda departments of all prefectures, cities, and counties must step up training their cadres and should train the propaganda commission members of the township and town CPC committees once by rotation around the 6th plenum of the 12th CPC Central Committee. [passage omitted]

The forum of the propaganda department directors of the whole region was held in Nanning from 24 to 29 June. The forum emphatically conveyed and discussed the spirit of the national forum of the propaganda department directors and conveyed and studied the latest series of important speeches of leading comrades of the central authorities on building spiritual civilization. This forum was another important meeting on the work of building spiritual civilization after this year's regional conferences on grass-roots party rectification and ideological and political work.

HUBEI LEADERS INSPECT RADIO, TV TRANSMISSION TOWER

HK060307 Wuhan Hubei Provincial Service in Mandarin 1000 GMT 5 Jul 86

[Excerpts] Yesterday afternoon, provincial CPC Committee Secretary Guan Guangfu and Governor Guo Zhenqian visited the Hubei radio and television tower to inspect and guide work. This tower, located between Wuhan and Guishan, is now in use. The four-channel television transmitter was officially brought into operation on 20 January.

Guan Guangfu and Guo Zhenqian listened to work reports given by (Zhang Xinxian), director of the provincial radio and television department, and a responsible person of the Guishan tower construction office.

This tower is China's first reinforced concrete radio and television transmitting tower which can also be used for tourist purposes. Its main functions consist of transmitting and relaying five FM channels and five television channels. It can also provide services for meteorology, fire fighting, atmospheric environmental surveys, and tourism. When completed, the tower will further extend radio and television coverage in the province and improve reception conditions. [passage omitted]

Guan Guangfu and Guo Zhenqian visited the television transmitting room and extended regards to those on duty there. They then climbed higher up the tower for a view of the impressive scenery of the triple city of Wuhan.

YUNNAN OPENS MEETING ON IDEOLOGICAL WORK

HK090303 Kunming Yunnan Provincial Service in Mandarin 2200 GMT 8 Jul 86

[Excerpts] A conference on ideological and political work convened by the provincial CPC Committee opened in Kunming on 8 July. This is the largest Yunnan meeting on the topic since the 3d Plenary Session of the 11th CPC Central Committee. [passage omitted]

Zhu Zhihui, deputy secretary of the provincial CPC Committee, spoke at the opening of the conference. He said: The main aim of this conference is to solve four problems: 1) Study the spirit of the relevant central documents, enhance understanding of the importance of ideological and political work in the new situation, and gain a clearer idea of the guiding ideas and tasks for ideological and political work. 2) Sum up and exchange experiences and further probe new ways of conducting ideological and political work in the new situation, so that the contents, methods, and forms of this work will better meet the requirements of reform and clear the way for developing the social productive forces and socialist commodity economy. 3) Study the problem of strengthening the building of the province's ideological and political work force. 4) Make arrangements for current ideological and political work.

He Zhiqiang, deputy secretary of the provincial CPC Committee and governor, made a report. He first spoke on the blueprint for the province's Seventh 5-Year Plan and introduced the current situation and the main tasks in economic structural reform. He then put forward specific demands on how to strengthen ideological and political work in the new period. [passage omitted] He said: In the new historical period, ideological and political work must penetrate into economic work. First, we must conduct correct propaganda on reform and create an excellent social environment for reform. Second, we must help the cadres and masses to establish the commodity concept, and bring the whole province's economic activities onto the track of planned commodity economy. Third, we must change outdated customs and habits, and ease the masses' mental burdens. Fourth, we must conduct vigorous propaganda for running the economy according to the law. Fifth, the whole party must pay attention to strengthening ideological and political work.

Also present at the conference on 8 July were provincial CPC Committee Secretary Pu Chaozhu and Standing Committee members Qiu Chuangjiao, Zhao Tingguang, and Yin Jun. [passage omitted]

PU CHAOZHU YUNNAN PARTY ANNIVERSARY GET-TOGETHER

HK020817 Kunming Yunnan Provincial Service in Mandarin 1000 GMT 1 Jul 86

[Excerpts] To mark the 65th anniversary of the founding of the CPC, the Yunnan Provincial CPC Committee, provincial people's government, and PLA units stationed in Kunming today held joint get-togethers at the Kunming National Defense Club, National Defense Gymnasium, and No 1 Courtyard of the organs of the provincial CPC Committee for the veteran cadres of the party, government, and Army in Kunming. Some 9,000 retired veteran cadres of the province and city and PLA Units stationed in Kunming attended the get-togethers. [passage omitted]

Also attending the get-togethers were Yunnan Provincial CPC Committee Secretary Pu Chaozhu; provincial CPC Committee Deputy Secretary and Governor He Zhiqiang; provincial CPC Committee Deputy Secretary Liu Shusheng; provincial People's Congress Standing Committee Chairman Li Guiying; veteran Comrades Gao Zhiguo and Zhu Jiabi; former principal responsible persons of the Kunming Military Region, including Hu Ronggui, Liu Yantian, Zhang Haitang, (Hu Guohua), and Chen Jiagui; and responsible comrades of all large units of the PLA units stationed in Kunming.

LI XIMING RELAYS CPC DIRECTIVES ON SERVICE WORK

SK090739 Beijing BEIJING RIBAO in Chinese 27 Jun 86 p 1

[Text] Li Ximing relayed the important directives of the Secretariat of the CPC Central Committee on the work of Beijing Municipality at the Beijing municipal service work conference which concluded on 25 June. The directives state: The commerce of Beijing Municipality is a key window for developing our country's commercial work. Thus, the service quality of the Beijing municipal commercial departments can produce a comparatively great impact on commercial work at home and abroad. Thus, these departments should adopt feasible measures to improve their service attitude and service quality and strive to play an exemplary role for the commercial departments throughout the country.

HEBEI HOLDS 12TH CPPCC STANDING COMMITTEE MEETING

SK031244 Shijiazhuang Hebei Provincial Service in Mandarin 2200 GMT 25 Jun 86

[Text] The 12th Standing Committee meeting of the 5th provincial CPPCC Committee was held in Shijiazhuang City from 24 to 25 June. Yin Zhe, chairman of the provincial CPPCC Committee, presided over the meeting.

The meeting first relayed the important directive of the central authorities with regard to carrying out the united front work in the new historic period.

At the meeting, Xu Chunxing, vice chairman of the provincial CPPCC Committee, delivered a speech on the issue of how to better carry out the united front work in the new historic period.

During their discussions at the meeting, participants unanimously expressed the view that efforts should be made to earnestly study and implement the spirit of the central directive, to foster new ideas and work style, and to go all out in carrying out the united front work in the new historic period. Efforts should be made to bring into play the strong point of the CPPCC Committee in maintaining wide contracts with the outside world in order to extensively carry out the work of making contacts and establishing friendship with the compatriots in Taiwan, Hong Kong and Macao, and with the Overseas Chinese, and to make more contributions to reunifying the motherland and realizing the one-country two-system policy.

The meeting also heard and discussed the report given by Du Jingyi, vice chairman of the provincial CPPCC Committee, with regard to the work done by the work group under the provincial CPPCC Committee during the period since the founding of the group; and the report given by Zhu Zeji, vice chairman of the committee under the provincial CPPCC Committee in charge of research on the historical accounts of past events with regard to the 1986 work in this regard.

SUN WEIBEN AT HEILONGJIANG PLA UNIT'S PARTY CONGRESS

SK081055 Harbin Heilongjiang Provincial Service in Mandarin 2100 GMT 7 Jul 86

[Text] On 5 July, the PLA unit stationed in the province held its sixth party congress. (Dong Weizhong), political commissar of the PLA unit, delivered a work report in which he emphatically put forward the issues of how to further carry out the Army-civilian campaign of building a socialist spiritual civilization under the new situation and how to vigorously enhance unity between the army and the government and between the Army and the people.

Over the past few years the PLA unit has continuously carried out the campaign in depth and breadth and brought about a gratifying situation in this regard. As of now, the PLA unit has set up 647 centers in which both Army personnel and civilians are devoting themselves to building a spiritual civilization. Of these centers, 249 work teams have been commended as advanced and civilized units.

At the party congress, the delegates were not satisfied with the achievements scored in this regard in past years in reviewing their experiences. They pledged to regard as a central task the work of improving social morale during the Seventh 5-Year Plan period in order to steadily deepen the campaign of jointly building spiritual civilization.

Attending the party congress were Sun Weiben, secretary of the provincial CPC Committee; Li Genshen, Liu Chengguo, and Zhou Wenhua, deputy secretaries of the provincial CPC Committee; and He Shoulun, vice governor of the province. Sun Weiben, secretary of the provincial CPC Committee, delivered a speech in which he highly praised the achievements scored by the PLA unit in party building, conducting military training, and in carrying out the Army-civilian campaign of building a spiritual civilization. He urged the broad masses of commanders and fighters to make persistent efforts to win still greater glory.

LIAONING'S QUAN SHUREN INVESTIGATES UNHEALTHY TRENDS

SK091254 Shenyang LIAONING RIBAO in Chinese 25 Jun 86 p 1

[Text] On the afternoon of 9 and 10 June, Quan Shuren, secretary, Sun Qi, deputy secretary, and Shang Wen, Gao Zi and Wang Julu, Standing Committee members of the provincial CPC Committee, went to some departments and bureaus to investigate and study their work of correcting unhealthy trends, and to work out plans for carrying out this work more thoroughly.

The leading comrades of the provincial CPC Committee pointed out: To thoroughly correct the unhealthy trends of various trades and realize a fundamental turn for the better in party style and social conduct as soon as possible, party organizations at all levels should earnestly pay attention to the following issues:

1. They should enhance their understanding of the work to correct unhealthy trends. At present, obstacles to the work mainly come from vocational leading organs. With regard to the unhealthy trends of various trades, some leading organs resort to the policy of nonrecognition, others are afraid of losing face and raking up their faults, and still others are making comparisons with one another. Leading persons should start from rectifying their own ideological understanding, regard this work as an important content of the improvement of party style and social conduct, and grasp it firmly and persistently.

2. They should uphold the principle of combining the efforts of various departments and regions, with the focus on those of departments. As the unhealthy trends are reflected in trades, it is the departments in charge of various trades that can best understand the manifestations and the crux of the unhealthy trends, and it is them that can put their fingers on the right spot. Therefore, beginning with the division of labor at the Standing Committee of the provincial CPC Committee, the responsibility system for correcting unhealthy trends of trades should be implemented at every level. From now on, departments in charge should be the first to examine the progress of the work to correct unhealthy trends. CPC committees at all levels should take the initiative in coordinating with the vocational leading organs of various trades to grasp the work on every front.

3. They should combine the work to correct unhealthy trends with the development of the exemplary role of leading organs. Bearing in mind the already exposed problems in their own trades, leading organs should check to see what their weak links are in playing their exemplary role, pursue their liabilities, and further expose similar problems existing in their own organs so that the work to correct unhealthy trends and the development of the exemplary role of leading organs can promote each other.

4. They should give full play to the role of public opinion and mass supervision. All trades and professions should adopt various effective measures to mobilize the masses in a down-to-earth manner in order to form a powerful public opinion force to correct unhealthy trends of trades. The problems already brought to light should be made known to the people through certain methods. At the same time, we should have the courage to check the negative examples in correcting unhealthy trends, and should commend and publicize the good examples in correcting unhealthy trends.

5. They should replenish their staffing and establish and improve various rules and regulations. Efforts should be made to strengthen their contingents of personnel and, in particular, to conduct successful ideological education. Persons harboring selfish purposes who have been promoted to the work posts with certain authority, and who have not repented despite education should be resolutely transferred to other posts. We should make use of the exposed problems to find out the loopholes in the systems of our own trades, and then establish or improve our systems.

6. They should pay attention to the implementation of party policies. In the course of correcting unhealthy trends of various trades, we should see to it that unhealthy trends are corrected, the enthusiasm of staff members and workers is protected, that problems are solved whenever they are discovered, and the spearhead is not pointed at the masses. Focusing on this general requirement, all vocational leading organs should go into the reality of life to conduct investigations and study, ascertain the situation, and draw a clear demarcation line. With regard to the problems that have arisen due to mistakes in work, leading persons, not the persons at lower levels, should be held accountable. In handling problems that should be redressed and cases involving discipline violation, we should also clarify the problems to enable the masses of staff members and workers to distinguish right from wrong so that the phenomenon in which people dare not tackle problems in work can be avoided. Issues involving the economic benefit of staff members and workers should be handled in a prudent manner so that their enthusiasm will not be dampened.

PREMIER YU WELCOMES U.S. CONGRESSMEN

OW091439 Taipei CNA in English 1359 GMT 9 Jul 86

[Text] Taipei, July 9 (CNA) -- Premier Yu Kuo-hwa received U.S. Senator and Mrs. Malcolm Wallop and Congressman Bob Livingston Wednesday afternoon at the Executive Yuan.

Premier Yu extended warm Welcome to the American visitors. He said that the Republic of China [ROC] and the United States have a long-standing friendship and that he hopes cooperation between the two countries will be further expanded through frequent exchanges of visits.

The U.S. lawmakers arrived in Taipei Sunday to attend the seminar on the ROC-USA free trade area. During their stay here, they also visited various economic and cultural establishments of the Republic of China.

Sen. Wallop told Premier Yu that he was impressed by the economic prosperity and social stability of free China.

Also present at the meeting was John Chang, director of the Foreign Ministry's Department of North America.

The American visitors left here shortly after the meeting.

EXCHANGE RATE ADJUSTMENTS UNNECESSARY

OW091211 Taipei CNA in English 1040 GMT 9 Jul 86

[Text] Taipei, July 9 (CNA) -- Economics Minister Lee Ta-hai said Tuesday that the nation's current foreign exchange rate against the Japanese yen is appropriate and there is no need for any larger adjustment to meet the yen's rising value.

The present exchange rate between the new Taiwan dollar and the U.S. dollar is also reasonable, Lee said.

Lee said he sees no reason why this country should conduct a large-scale adjustment of the exchange rate between the local currency and the Japanese yen.

Officials of the Ministry of Economic Affairs pointed out that the exchange rate of the yen against the U.S. dollar has risen to a record high in the past two days. The situation could affect economic and trading circles in Taiwan.

Meanwhile, some highly placed officials of the Ministry of Economic Affairs held the opinion that maintaining present levels of foreign exchange rates has proved to be the best way to cope with the strong yen.

Vice Economic Minister Li Mo said that the rise of the Japanese currency may affect import costs of local manufacturing firms.

The yen's rise will affect spare partes and other imported products from Japan, but it will also be more favorable for the export of locally manufactured goods, Li explained.

Li called on traders and exporters at home to take advantage of the situation by better promoting their products.

Another vice economics ministers, Wu Mei-Tsun, said that the great rise in the value of the yen will force some Japanese entrepreneurs to open operations overseas.

The vice economic minister said that Hsu Kuo-an, director of the Industrial Development Bureau, will lead an investment promotion mission to Japan at the end of the month to try to attract some strategic policy industries, including automotive spare parts manufacturers, to invest in the Republic of China.

At the same time, a report from Japan Tuesday said that Ma Chi-Chuang, a representative of the Association of East Asian Relations in Tokyo, said he believed that the substantial relations between the ROC and Japan will continue to become closer and stronger. His statement was seen as an indication that there may be an increase in Japanese investments here.

IMPROVED ECONOMIC TIES WITH PHILIPPINES URGED

OW090557 Taipei CHINA POST in English 6 Jul 86 p 8

[Text] Delegates at the second joint meeting of the ROC-ROC economic councils agreed yesterday that the present is the most appropriate time for the two countries to expand their economic and trade cooperation. They also forecast that trade will grow greatly this year.

This was the first such meeting between the two councils since the Aquino government initiated a series of economic reforms in the Philippines.

Aurelio Periquet, Jr. Chairman of the Philippine-ROC Council, headed a 58-member mission to the meeting and Jeffery L.S. Koo, chairman of the ROC-Philippine Council, led the 90-member delegation.

During the talks, delegates fully exchanged opinions on the present economic situations in the two countries. They also discussed how to step up cooperation in trade, banking policy, industrial development and investments.

Vice Minister of Economic Affairs Wu Mei-Tsun delivered a special speech analyzing close economic relations between the two countries. The Philippine delegation also reported present economic situation there and investment incentives the government has planned.

According to statistics from the Ministry of Economic Affairs, last year the ROC's two-way trade with the Philippines amounted to U.S.\$343 million, representing a growth of U.S.\$18 million over that of 1984: Of the total U.S.\$329 million came from exports while U.S.\$104 million was from imports.

In the first five months this year, the ROC exports to the Philippines reached U.S.\$124 million against imports of U.S.\$62 million.

To promote its foreign trade, the Philippines recently opened its market to more than 360 items of foreign products, most of them industrial raw materials, which are not produced there. To decrease import costs in the wake of the recent appreciation of the Japanese yen, its industrial and trade officials suggested that imports from the ROC, South Korea, and Hong Kong be increased.

The Aquino Government is also seeking economic and technology assistance from developing countries and newly developed Asian countries. In June, an ROC industrial and trade mission led by legislator Chien Yu-hsin received a big welcome during a visit there. They called on several related units of the Philippine Government.

PRC THREE-YEAR RECTIFICATION CAMPAIGN 'BIG FLOP'

OW082041 Taipei CNA in English 1446 GMT 8 Jul 86

[Text] Taipei, July 8 (CNA) -- The following is a commentary by the Broadcasting Corporation of China in Taipei entitled "Another Big Flop":

The Chinese Communist Party has promised to spend at least another decade conducting a rectification campaign to root out economic crime, the latest edition of the theoretical journal RED FLAG was quoted as saying.

The bi-monthly said in its words "since the hotbed for economic and other crimes will exist for quite a long time to come, the struggle against these crimes will also persist."

RED FLAG said the party promises to spend two years of intense efforts, followed by another 10 years of work to change party conduct and the social atmosphere for the better.

The RED FLAG article is nothing if not an open admission by Peking that its three-year party rectification campaign launched in late 1983 has been a dismal failure like many other similar attempts before.

The 1983 drive was launched with ballyhoo. The party leadership vowed to wipe out leftism, corruption and other unhealthy practices by the end of this year. Now they are saying that at least another decade will be needed to accomplish the task.

The RED FLAG's tacit admission of failure is another proof that the Chinese Communist regime is long in making promises but short in delivering on them.

The first official indication that the rectification campaign has faltered came last February when party chief Hu Yao-pang announced a new crackdown on economic crimes among senior cadres and their offspring at an 8000-cadre rally.

Since then, nothing has been accomplished. Only a few middle-ranking cadres have been disciplined for "unhealthy tendencies." Not a word has been said about the "tigers" that have reportedly come under investigation for their economic offenses. They include the children of Hu himself, Premier Chao Tzu-yang and Peng Chen, chairman of the National People's Congress.

Peking's party rectification drive is doomed to failure because it is an impossible task. The RED FLAG is right in saying that "corruption and economic and other crimes may have something to do with the reform and open door policy, but they are not the inevitable outcome of the policies."

That had been borne out by the fact that the Chinese Communist Party had become rotten to the core long before Peking started economic reforms. The open door policy has only made the situation worse.

The underlying cause is the totalitarian nature of the communist rule. As the saying goes, "power breeds corruption. Absolute power leads to absolute corruption."

By upholding the so-called "four basic principles," the Chinese Communist Party has condemned itself to perpetual corruption until the day of its inevitable destruction.

CHENG MING REFLECTS ON TWO PROMINENT ARRESTS

HK020439 Hong Kong CHENG ING in Chinese No 105, 1 Jul 86 pp 6, 7

["Notes on the Northern Journey" by Lo Ping: "Two Shocking Major Cases"]

[Text] Liu Shikun Was Handcuffed and Thrown Into Prison

The tiger-hunting movement of the CPC looked powerful, vivid, and dynamic at first. But before long it looked as if it would have a brave beginning but weak ending.

Why has it come to this? The principal reasons are known to all: It is difficult to hunt tigers and to find Wu Song [legendary hero who killed a tiger bare-handed]. Although some tigers have been caught, it is difficult to hit them.

For example, the CPC finds it difficult to handle the Liu Shikun case.

Liu Shikun, an outstanding pianist of China and a former favorite son-in-law of Marshal Ye Jianying, has engaged in business in recent years and made money. Some time ago he went to the United States. He made a stopover in Hong Kong when he returned. In May, however, he was arrested by personnel from the Ministry of State Security with handcuffs and thrown into prison.

He Was Suspected of Carrying Drugs and Engaging in Gold Traffic

This news was quite explosive because Liu Shikun was suspected of "carrying drugs" and "engaging in gold traffic." The case is now being investigated. It was originally decided that Liu Shikun was to take part in a musical performance in Hong Kong and to meet with his fans. The plan must now be canceled.

The concert is to be conducted by the symphony orchestra of the Central Philharmonic Society. Its conductor, Li Delun, has been in Hong Kong since early June making the necessary preparations. It has a very interesting program. The piano concerto is to be played by Liu Shikun.

Plan for Putting on a Performance in Hong Kong is September Has Been Canceled

Many people in Hong Kong have a profound impression about Liu Shikun's superb skill when he played the piano in Hong Kong in the early 1960's. Now that he has been thrown into prison, his place will have to be taken by another pianist. The 40-year-old Shi Shucheng, who graduated from the piano department of the Central Music Institute, will probably take Liu's place.

After Liu's arrest, people in the Beijing musical circles were talking about the matter. Many people said that a successful and well-known musician should not have ignored his proper occupation and committed offenses against law and discipline. Who knows Liu Shikun's personal concept of value? They found it difficult to understand Liu's degeneration.

The Number of Girls With Whom Liu Has Dallied Is Uncountable

A friend in the musical circles told me, however, that there were indications of Liu's degeneration as far back as the early 1960's. When he was studying at the Central Musical Institute, he had perfectly known how to "enjoy life." Before and after he married Ye Jianying's daughter Ye Xiangzhen (Lingzi), he was always unconventional and unrestrained. The number of girls with whom he had dallied was uncountable.
[paragraph continues]

Out of "good intentions" (everybody knows that President Zhao Feng is a good man), liberal-minded president Zhao of the musical institute did not report this to the higher authorities. More important, Liu Shikun was secure in the knowledge that he was in the good graces of his father-in-law and was inordinately proud of his skill in playing the piano. Thus, although the sound under his touch is sweet and melodious, his soul has gradually been stained with dirt. Over the past few years, he has thrown himself into the money-making business and, as the saying goes, "it was like going to a fish market and getting used to the stink." His artistic life has ended. He has fallen into a bottomless chasm.

Rumors About Ye Jianying Often Going Into a Coma

It is believed that it will take a long time to handle the Liu Shikun case because he was once Ye Jianying's favorite son-in-law. If Liu should be sentenced to severe imprisonment for his crimes, it would certainly represent a serious psychological blow to Ye Jianying. For this reason, in dealing with Liu Shikun the CPC "hesitates to pelt a rat for fear of smashing the dishes beside it."

People have always been concerned about Marshall's Ye's health. Several months ago, a photograph showing Marshall Ye sitting in a wheelchair with his family members was carried in newspapers. Recently, however, there have been rumors that the old man often goes into a coma. Some people guess that it is precisely for this reason that Liu Shikun has been imprisoned.

Sixteen Females File Charges Against Hu Qiaomu's Son

There is another case which the CPC finds even more difficult to handle than the Liu Shikun case. It is the case of Hu Qiaomu's son Hu Shiying.

Some people in Beijing hold that this is a fast knot and that, if the Hu case cannot be dealt with appropriately, it will be even more difficult to handle other cases.

The Hu Shiying case is a headache for the CPC because it is not only a criminal case of swindling as disclosed before, but is also similar to the Hu Xiaoyang case.

An informed person said that from the day he worked as a RENMIN RIBAO reporter to his arrest, Hu Shiying was always a playboy dallying with females. After his arrest, nobody filed charges against him at first. Recently, however, 16 victimized females have decided to file charges against him. Many people in Beijing have been talking about the matter. They said that if Hu Xiaoyang, the son of Shanghai Municipal People's Congress Standing Committee Chairman Hu Lijiao, had been sentenced to death for raping women, there is even more reason to sentence to death Hu Shiying who is both an economic and a criminal offender.

The Moral Court Has Sentenced Hu Shiying to Death

In the eyes of Beijing residents, Hu Shiying has been sentenced to death.

In truth, the CPC will be placed in a very awkward position even if it sentences Hu Shiying to life imprisonment instead of death. This is because Hu Qiaomu is an "theoretical authority" of the CPC. Hu Yaobang said: "The commander in chief on the political and ideological fronts is Hu Qiaomu." How can the commander in chief, who has failed to educate his son, convince the people after his son is sentenced to imprisonment? This is a big question.

As a matter of fact, Hu Qiaomu's popularity has been dropping to the zero point. His ugly behavior before and after his son was arrested, in particular, has made him even more unpopular.

Hu Shiying Will Probably Be Executed by Shooting

Obviously, on the question of whether the CPC will adhere to rule by law, the Hu case has put the CPC to a severe test. If the sentence "all people are equal before the law" is not a lie or empty talk, Hu Shiying can hardly escape death if his crimes do not prove graver than those of Hu Xiaoyang.

Can the CPC stand up to the test?

An authoritative source says that Hu Shiying will probably be sentenced to death and that no reprieve will be granted. Some people hold that this is only a trial balloon and others say that it is aimed at ironing out the grievances of the people. Of course, there are also people who accept it as true.

In dealing with any criminals or suspected criminals, the CPC should act with care. In CHENG MING No 5, I pointed out that the CPC was unjust in dealing with Zhang Changsheng and Ye Zhifeng (Ye Fei's daughter). Some people on the mainland have also openly aired similar viewpoints. For example, in an article recently carried in SHANGHAI FAZHI BAO (SHANGHAI LEGAL NEWS), legal expert Lu Husheng raised the question of inappropriate penalties having been imposed on Zhang and Ye. Hu Shiying may have committed more serious crimes than Hu Xiaoyang because, besides gaining a huge sum of money by cheating, he has also committed other criminal offenses. Nevertheless, I also pointed out in the "Notes on the Northern Journey" that it was excessively severe to sentence Hu Xiaoyang to death.

What About Another Master Hu -- Hu Deping?

There is Hu Xiaoyang in the south and Hu Shiying in the north. Both can be regarded as typical representatives of the degenerated "prince party."

Another master Hu -- Hu Yaobang's eldest son Hu Deping -- is another model of senior cadres' children. Hu Deping was once suspected of irregularities, but it was a groundless suspicion. In an effort to verify various reports on Hu Deping, I have spent much time gathering news. In the next issue of CHENG MING, I will make a report to the readers on the results of my investigation.

CHENG MING ON PRC LITERATURE, ART WORLD LEADERSHIP

HK030609 Hong Kong CHENG MING in Chinese No 105, 1 Jul 86, pp 8-9

["Notes on a Northern Journey" by Lo Ping: "Hu Qiaomu and Deng Liqun Suffer Heavy Casualties"]

[Text] The Downfall of a Hatchet Man

Although officials in the higher echelons of the CPC have repeatedly denied the existence of reformers and conservatives in the party, the objective facts are that not only do factions exist in the party, but that faction-fighting within the party is going on uninterruptedly. The recent round of struggle centered on the leadership of the nation's literature and art circles. The outcome of the struggle was that the reformers removed one of Hu Qiaomu and Deng Liqun's capable persons -- Zhao Xin, secretary of the leading party committee of the All-China Federation of Literature and Art, was removed from his post between May and June.

Zhao Xin is not well-known abroad. Nevertheless, he is one of the top people in the CPC's literature and art work. He has had the leadership of the Chinese Dramatists Association in his hands for quite some time and eventually, he managed to assume the high leadership position in the All-China Federation of Literature and Art. What is extremely detestable is that this veteran communist, who has written plays, has always been strangely "leftist" in thinking and has served as the hatchet man for Hu Qiaomu and Deng Liqun in literature and art circles for many years. He was very active in the movements to "eliminate pollution" and to "combat bourgeois liberalization." He participated in attacking such people as Zhou Yang, Xia Yan and Wu Zhuguang, and in banning the staging of the drama "Wm (We)." The fact that the fifth National Congress of Writers, which was scheduled to be held last year, did not materialize, is not unconnected with Zhao Xin, who made a stormy sea stormier, and recklessly created disturbances in the literature and art community.

Xi Zhongxun Acts as a "Peacemaker"

At the dramatists' representative conference held last year, Wu Zhuguang shot his mouth off attacking Zhao Xin. He quoted the remark: "Knowing shame is akin to courage," meaning that Zhao Xin did not know shame. Zhao Xin and his followers flared up at this and lodged complaints against Wu Zhuguang with Xi Zhongxun, accusing Wu of swearing at them. Then Xi Zhongxun had a conversation with Wu Zhuguang but did not know the right way to solve the problem, because the latter maintained that he had only said "knowing shame is akin to courage" and had sworn at no one. Wu Zhuguang's speech at the conference enjoyed immense popular support, because he had said what many people did not dare utter.

Zhao Xin -- "Another Zhou Erfu"

After the case of Zhou Erfu, Zhao Xin had a good reputation as a "another Zhou Erfu." The so-called "another Zhou Erfu" refers to Zhao Xin's sexy news during his previous overseas tours. One year, a female Spanish interpreter accompanied Zhao Xin on an overseas tour. She was already betrothed to a boyfriend with whom she was passionately in love, and was ready to get married immediately after she returned home. But later it turned out that the bridegroom who appeared at the wedding ceremony was, unexpectedly, Zhao Xin. When visiting Japan, Zhao Xin was involved in "romantic" hearsay. It was said that the hearsay was backed up with a relevant photo showing Zhao Xin embraced a Japanese geisha from the back, with his hands on her chest. Nobody knows who took the photo and sent it to the CPC's leading figures. Hence, there is a document stating that Zhao Xin is not suitable for participation in future foreign affairs work. Mrs Zhao was extremely indignant over the case. Zhao Xin had to lead a gloomy life for quite some time. However, Deng Liqun protected Zhao Xin in the end. Deng made personal phone calls to various literature and art associations, asserting that Zhao Xin was not problematic, his post remained unchanged, and he would do his work as usual, thus saving Zhao Xin from embarrassment. With the occurrence of the Zhou Erfu case, people maintained that Zhao Xin's behavior was similar to Zhou Erfu's and even out did it. The only difference was their lots. Hence, people gave him the nickname of "another Zhou Erfu."

This hatchet man for Hu Qiaomu and Deng Liqun has now fallen from power and Wu Zhuqiang, younger brother of Wu Zhuguang, president of the Central Conservatory of Music, has taken over the post as secretary of the leading party committee of the All-China Federation of Literature and Art. Writers and artists were all overjoyed with this outcome, saying that the CPC policymakers had done another good thing.

The Antithetical Couplet Sent to Zhu Muzhi

The "good thing" done prior to this was in replacing Minister of Culture Zhu Muzhi with Wang Meng.

Before assuming the post of minister of culture, Zhu Muzhi was director of RENMIN RIBAO. While in office as the newspaper director, Zhu Muzhi in effect played the role of a manager who looked after matters, such as buying paper. During his tenure of office as the minister of culture, his subordinates sent him an antithetical couplet. The first vertical line reads "having a great determination while one is still not clear about the situation." The second vertical line reads "making a lot of proposals while one does not know for certain how things stand." The horizontal line reads that "the Ministry of Culture is culturally illiterate." This is a sound portrayal of His Excellency the Minister of Culture. Being made use of by Hu Qiaomu and Deng Liqun, Zhu Muzhi spared no effort in movements such as that to "eliminate pollution," thus arousing dissatisfaction in the literature and art community. Wang Meng is far more learned than Zhu Muzhi. Before and since assuming office as minister of culture, Wang Meng has done some good things. (For example, he twice helped Bei Dao get approval to go to Europe. Another example was when a group of young writers who had freely stated their enlightened remarks during their European tour returned home and were secretly investigated by certain people, Wang Meng personally acted as sponsor for them, thus getting them out of the danger of being investigated.) Therefore, he has been well received by writers and artists. Hu Qiaomu and Deng Liqun are dissatisfied with the reorganization of the Ministry of Culture, including the appointment of the fairly open-minded Gao Zhanxiang as vice minister.

The Reorganization of the Central Propaganda Department

What made writers, artists, and theoretical workers feel particularly happy is the reorganization of the Central Propaganda Department. In the early days after Zhu Houze took up his post as director of the Central Propaganda Department, people took a wait-and-see attitude. Later it turned out that he did fairly well in handling the Ma Ding and Liu Zaifu cases. It was Zhu Houze who was most energetic in protecting Liu Zaifu. He Jingzhi, a subordinate of the former director Deng Liqun, is one of the five members of the leading body of the Central Propaganda Department, ranking last. However, being senile and unwell, He Jingzhi cannot play any significant role in the body. The days of Hu Qiaomu and Deng Liqun in the higher echelons of the Central Propaganda Department have gone and will never return.

However, Deng Liqun has not yet lost power and influence in the intermediate echelons of the Central Propaganda Department. Before leaving office, he had put large groups of his followers in key positions, forming a considerably large force. Commenting on the situation, some people said: "The Liu Zaifu case is the beginning and not the end of the struggle." But as to whether this is really the case will be disclosed in the ensuing chapter.

Chen Yong's Behind-the-Scenes Backers -- Xiong Fu -- Hu Qiaomu and Deng Liqun

Of course, it would not be true to say that the power and influence of Hu Qiaomu and Deng Liqun have completely disappeared from the higher echelons of the propaganda front. Besides He Jingzhi, Xiong Fu at least is also their man. He is the chief editor of the magazine HONGQI. Xiong Fu has been "leftist" in thinking and action for quite sometime, although sometimes he manages to dress himself up. A diehard "leftist," Xiong Fu is a man of the Hu Qiaomu, Deng Liqun, Lin Mohan, and Chen Yong school. [paragraph continues]

When informed that Chen Yong was writing an article critical of Liu Zaifu, Xiong Fu gave counsel to publish it in HONGQI. This exposed his sides and viewpoints opposed to conducting reforms and concentrating on developing the productive forces. Xiong Fu must be held responsible for the "Liu Zaifu case." Had Zhu Houze not meddle in the case, GUANGMING RIBAO would have reprinted Chen Yong's article, lashing out at the literature and art as well as theoretical circles and at the forces of reform. Now the "Liu Zaifu case" is over. Deng Liqun, Chen Yong, and Xiong Fu lifted a rock only to drop it on their own feet. Instead of being frightened by the case, writers, artists, and theoretical workers are marching ahead with full courage.

This has become a law: Whoever bludgeons popular writers and theoreticians, whose works have been well received by the masses of people, will have bad luck.

There is another law: In the literary world, if the "leftists" attack people and their works, this will create a wave of combating "leftism," leading to the continued development of explorations in literary creation and in theory.

We hope that the CPC will understand these laws. The guiding thought in the ideological field must not be to withdraw but to open. To do a good job of reforms, it is necessary to genuinely and sincerely let a hundred schools of thought contend and not to set up forbidden zones and impose administrative intervention. Otherwise, one will keep going round and round pursuing sham democracy and economic restructuring will not succeed.

U.S. PROTECTIONISM TERMED 'DUPLICITOUS'

HK030224 Hong Kong SOUTH CHINA MORNING POST in English 3 Jul 86 p 10

[Editorial: "Shameful Display of American Duplicity"]

[Text] A few years ago General Alexander Haig described the British as "duplicitous." The protectionist mania in the United States demonstrates that duplicity is not the sole prerogative of one nation.

On the one hand we have a White House incumbent who has paid so much lip service to free trade his mouth must hurt. On the other we have the Jenkins Bill just waiting for a chance to "sock it" -- as the Americans would say -- to countries which have the audacity to produce cheap, attractive clothes which Americans would buy up by the container-load if they were given the chance.

On the one hand, also, we have American industrial clamouring for ever more stringent restrictions on textiles, cars, electronics and other goods from overseas. On the other, we have American industry bleating because its goods are denied access (on a very limited scale) to certain countries who are sick of being bullied by the U.S.

A further example demonstrates duplicity is not unique to the eastern shores of the Atlantic: the Americans send delegations junketing around the globe looking for deserving cases among Third World countries to whom preferential export treatment is then given. Their assessment of what constitutes a worthy cause caused one U.S. diplomat to comment recently that unless they see a water buffalo roaming the streets outside the airport, these delegations consider their host country to be fully developed.

Hong Kong is well placed to feel the full force of U.S. hypocrisy. If a U.S. manufacturer can find a market for his products in Hong Kong, he is welcome to exploit it. The U.S. Government responds by demonstrating its utter ignorance about Hong Kong's unique situation, and while making strenuous efforts to woo the Chinese it forgets that Hong Kong is China's prodigal son about to return to the fold.

The temptation to demand a boycott of American goods by Hong Kong consumers is hard to resist, but it is unlikely to have any beneficial effect. What is needed is a massive education effort aimed at dissuading U.S. legislators from lumping Hong Kong along with South Korea and Taiwan. We are a special case and should be treated as such.

The fear now is that ill-informed members of Congress -- seeing this week's U.S.-Hong Kong textile agreement as a victory for the wily Orientals rather than a shameful display of narrow self-interest by the Americans -- will be spurred into over-riding President Reagan's veto of the appalling Jenkins Bill. The need to educate America is more urgent than ever.

CHANGE IN REFUGEE POLICY NEEDED URGENTLY

HK071159 Hong Kong SOUTH CHINA MORNING POST in English 7 Jul 86 p 10

[Editorial: "Refugee Policy Must Be Changed -- Now"]

[Text] The need for a change in the policy of the Hong Kong Government towards Vietnamese refugees is more urgent than ever. Saturday's arrivals mean that more refugees have arrived so far this year than turned up on our shores in the whole of 1985. While the Danish Government will accept the 131 picked up by the Charlotte Maersk, the refugee "season" is only just beginning and the prospect is that many more will be on their way.

Hong Kong has been almost totally abandoned by the international community; we have extended a great deal of humanity towards earlier refugees but our reward has been a drying up of resettlement offers from third countries. Our closed camp policy -- widely reviled by British politicians with finely-tuned headline-grabbing instincts but little common sense -- now seems to have lost any deterrent effect it may have had. The result is that, with all signs pointing towards an alarming increase in boat people, Hong Kong could be permanently stuck with an ever-growing refugee population.

We must learn, simply and bluntly, to say "no." Other countries in the region have been doing just that for some years now. The result is that refugees give them a wide berth. Why should Hong Kong -- which has enough problems of its own to deal with -- become a haven for people whose reasons for fleeing their native land is highly suspect?

Unless some sort of repatriation scheme can be arrived at with the irresponsible and feckless Vietnamese Government, future arrivals should, at the most, have their vessels patched up, their stores replenished, and then be sent on their way. Hong Kong has had enough.

Rather than trying to close its eyes to what is happening here and hoping the problem will go away, the British Governments should be acting as Hong Kong's voice in the United Nations. It must demand a stepping up of resettlement efforts and, more important, should put every pressure on the world community to force Hanoi to put its own house in order. The current wave of refugees -- if they deserve that name -- are leaving Vietnam because their homeland is in an intolerable economic mess. And the suspicion of official collusion in the current exodus is more than a passing thought.

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